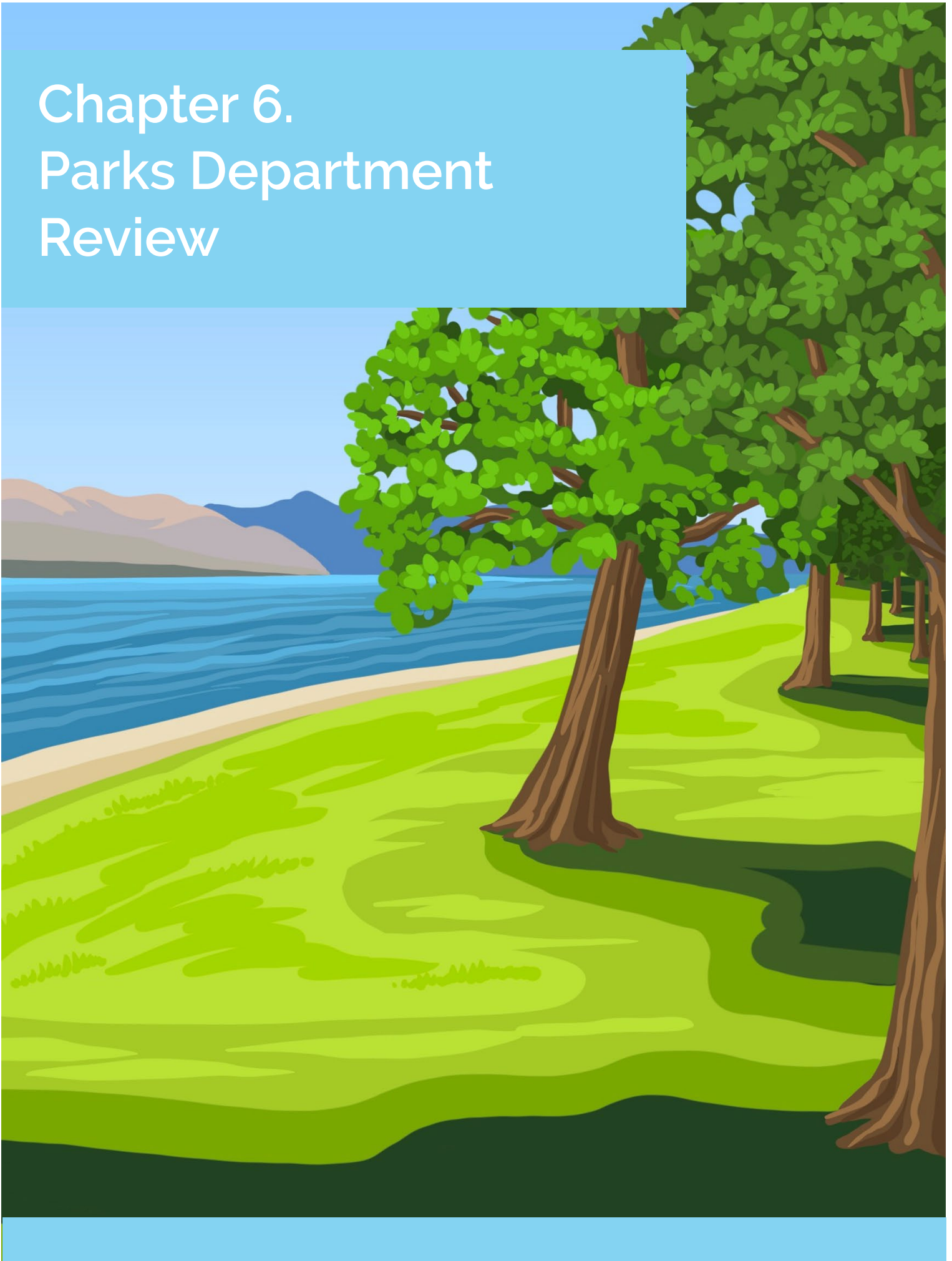


Chapter 6. Parks Department Review



6.

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Introduction

After reviewing our Parks System in Chapter 4 and Recreation Programs in Chapter 5, we now examine the Operations of the Parks and Recreation Department as the last leg of our diagnosis. This chapter covers maintenance (Section 6.1), staffing (Section 6.2), and financials (Section 6.3). The financials section will particularly focus on capital investments and our capacity to achieve the Parks Vision 2030.

6.1 Maintenance and Operations Existing Conditions

As part of the Parks Maintenance and Operations assessment, this section outlines the importance of maintenance and operations (6.1.1), details Chelan's investments in these areas (6.1.2 Parks assets, 6.1.3 maintenance staffing, 6.1.4 maintenance budget), presents the current low patron satisfaction with deferred maintenance (6.1.5), and discusses the 2019 Maintenance Study (6.1.6), which recommends implementing Maintenance Performance Standards (6.1.7).

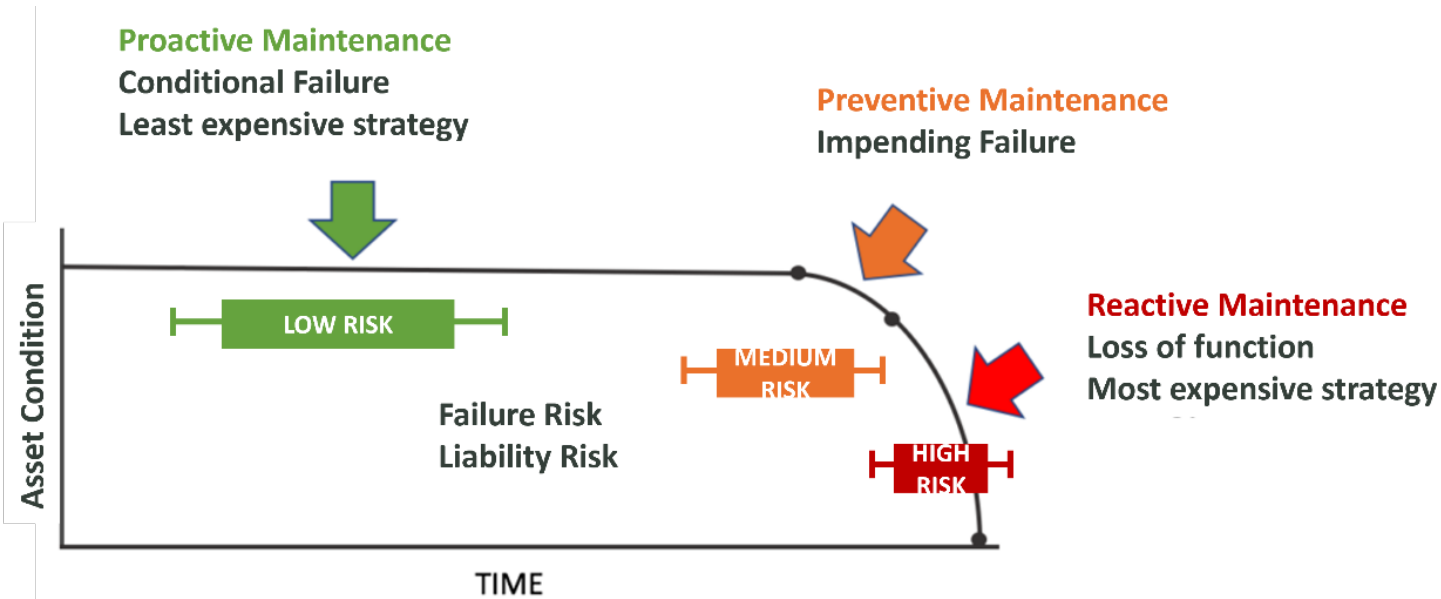
6.1.1. Inventory - Chelan's Parks Maintenance and Operations Scope

The Importance of Proactive Maintenance

Proactively addressing maintenance and replacing facilities which are well beyond their expected useful life has the following benefits:

- Reduce risk of functional failure and emergency repairs
- Reduce overall repair costs
- Limit exposure to liability
- Slow down amenities deterioration rate, and extend their useful life
- Decrease capital and renovation costs
- Decrease crime and inappropriate behavior
- Increase property values surrounding parks

Figure 6-1 Prevention-Failure Curve



Deferring maintenance, i.e. not performing preventive maintenance, saves immediate maintenance costs, but exposes the Department to significantly higher emergency repair costs, if not to catastrophic costs lest an accident happens in one of the Parks maintained.

Premises liability requires unreasonably dangerous conditions. In the case of *City of Barbourville v. Hoskins*, 655 S.W.3d 137 (Ky 10/20/2022), where the Plaintiff had sustained burns on the bottom of her feet after visiting Barbourville Water Park, which is owned by the City of Barbourville, Kentucky the Supreme Court reiterated that a local government will be held responsible for not preventing a reasonably dangerous and predictable injury.

Parks System and Other Maintenance Responsibilities in Scope

The parks maintenance staff are responsible for:

- 5 General Parks,
- 3 Enterprise Parks: Lakeshore Marina (103 slips), the Lakeshore RV Park (169 sites), Golf Course
- Historic Downtown median beautification, watering hanging baskets,
 - City landscapes (one acre in four locations), and approximately four linear acres of medians
 - Snow removal clearing multiple sidewalks, paths, parking lots, and bridges of snow during winter in dispersed areas of town

1,180 trees, 21 restrooms, over 200 acres, innumerable grains of sand and blades of grass

Figure 6-2 Parks Managed by City of Chelan Parks Department *

Name	Owner	Classification	Size (Acres) *
Lake Chelan Golf Course	City of Chelan	Park Enterprise	117.4
Lakeshore RV. Park (163 spots)	City of Chelan	Park Enterprise	20.5
Lakeshore Marina (100 Slips)	City of Chelan	Signature Park	6.5

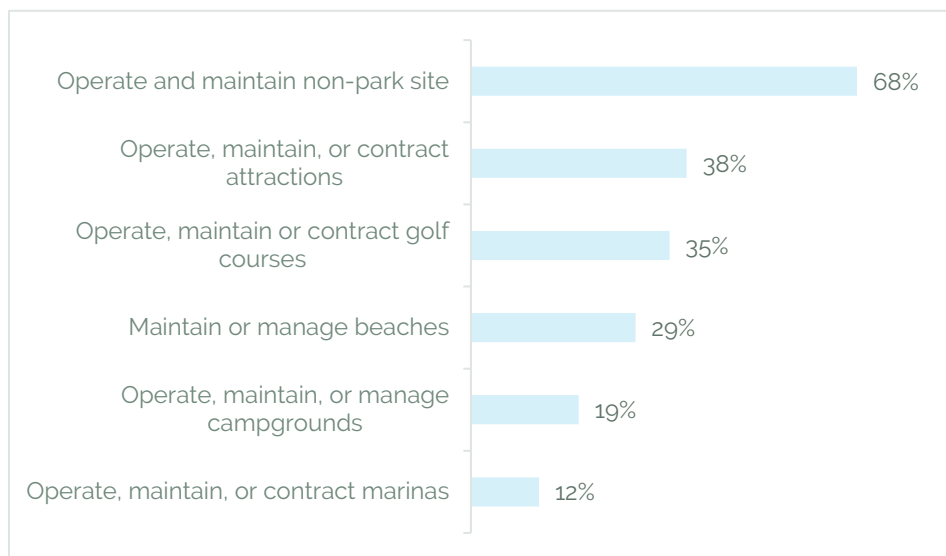
Don Morse Memorial Park	City of Chelan	Signature Park	19.5
• The Green Putting Course	City of Chelan	Park Enterprise	
Lakeside Park	City of Chelan	Signature Park	10.9
Gateway Park	City of Chelan	Pocket Park	0.28
Pingrey Centennial Park	City of Chelan	Pocket Park	0.3
Spader Bay Open Space	City of Chelan	Conservation/ Lake Access Potential	9.77
Chelan Gorge Park (PUD Baseball fields)	Chelan County PUD	Neighborhood Park	19.60
TOTAL ENTERPRISE OPERATIONS			182.44
TOTAL MANAGED ACRES			202.04

* Also included in Chap 4.1 Parks System inventory

Chelan Parks manages a host of facilities and functions that most other parks and recreation agencies don't.

The 2024 annual NRPA Performance Review report lists these responsibilities and the percentage of agencies that manage these as can be seen in Figure 6-2 below. It is a minority of agencies that manage, for example municipal golf courses, or marinas. It is unknown from the data how many agencies manage a combination of all these nontraditional facilities, but it is safe to assume that only very few agencies manage and maintain as many nontraditional park facilities, let alone with the resources of a 4,392 residents community and the visits from 5.1 million people in the Chelan Valley per year.

Figure 6-3 Responsibilities of NRPA Park Agencies Compared to Chelan Park Responsibilities ¹



Voice of the Parks Patrons on Maintenance and Ops

Survey respondents reported that better condition and maintenance of existing parks and facilities (35% of respondents) may assist them to use parks and facilities more often. Density of use during the summer months creates issues with parking, cleanliness, and upkeep. The level of maintenance is high considering the amount of visitors, but facilities like bathrooms operating beyond their lifespan creates both capacity and maintenance issues.

¹ 2024 The National Recreation and Park Association Agency Performance Review, https://www.nrpa.org/contentassets/f6baf1e9c3354aeca52dc548251bc4f4/2024agencyperformancereview_final.pdf

"The parks are too crowded; I walk around the Riverwalk trail during spring summer and fall. The parking at Lakeside is a disaster, and the local streets parking are packed with tourists to use Don Morse. This city has allowed uncontrolled growth with over capacity parks and no parking." Anonymous Comment from the Needs Assessment Survey

Figure 6-4 Opportunities to Assist Chelan Households to Use Parks & Recreation Facilities

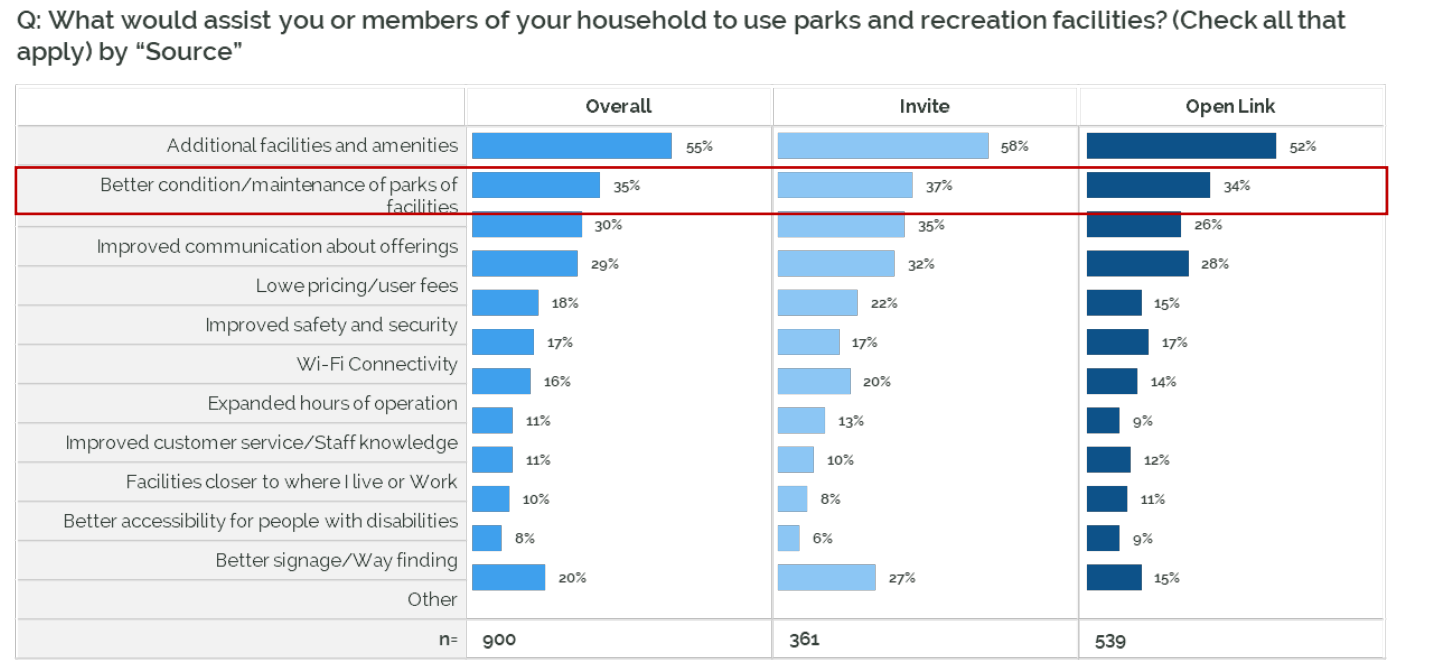


Figure 6-5 City Waterfront Site Masterplan workshop. Parks & Recreation Board members and community stakeholders are in attendance.

Community members want to see renovations of existing bathrooms and additional restrooms.

The Needs Assessment Survey, documents that "better condition/maintenance of parks or facilities" ranks second as an effort that would assist Chelan's household to use the Parks and Recreation facilities



Operations & Maintenance Staffing

Beyond 5 full time employees on maintenance (3 for general parks, 2 for golf) and on operations (3.5 total, 0.5 for recreation and 3 for golf), the Parks department relies heavily on seasonal labor (40 in season)

Maintenance	Operations (~Programmer)
-------------	--------------------------

Full-time (10.5 *)	Overall	<ul style="list-style-type: none"> • General Parks/ RV (3) • Maintenance Foreman (1) • Parks Maintenance Workers (2) • Golf (3) • Golf Course Superintendent • Golf Course Assistant Super. • Mechanic 	<ul style="list-style-type: none"> • Golf (3): • Golf Professional • Assistant Golf Professional • Recreation (0.5): youth coord.
Seasonal (38+ 2 vacant)	General Parks/ RV (12)	(10) 3 grounds maint, 1 mower maint, 2 facilities maint., 2 landscape maint., 2 landscape downtown	2 Parking Enforcement
	Putting Course (7)	1 Greens Maintenance Workers	6 Office Clerks
	Marina (3)		3 Marina Attendants
	Golf course (9)	8 Groundskeepers	
	Golf course pro shop (7)	1 Lead Cart Attendant/ Custodian	4 Office Workers, 2 Cart Attendants

* Total FTE = 11.5 = 6 maintenance + 3.5 operations + 3 admin (Director, Office Lead, Facilities Supervisor)

Figure 6-6 Staff from Lakeside RV Park pose for a photo!



Figure 6-7 Average % distribution of agency FTE.

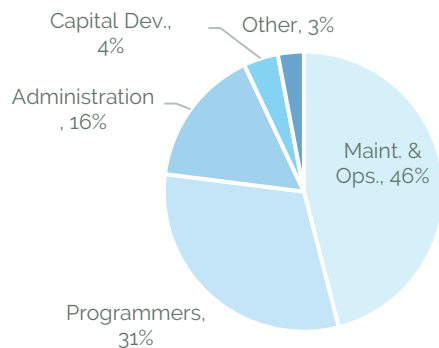


Table 6-1 Operations and Maintenance 2023 Labor Costs

	Regular Wages	Maintenance	Maint %	Operations	Ops %	M&O %
Full Time	\$892,356.00	\$344,508.00	39%	\$220,320.00	25%	63%
GP Seasonal	\$229,260.00	\$189,660.00	83%	\$39,600.00	17%	100%
RV Park Seasonal	\$254,140.00	\$118,420.00	47%	\$135,720.00	53%	100%
Putting Course Seasonal	\$95,022.50	\$26,600.00	28%	\$68,422.50	72%	100%
Marina Seasonal	\$33,896.00	\$0.00	0%	\$33,896.00	100%	100%
Recreation Seasonal	\$17,550.00	\$0.00	0%	\$17,550.00	100%	100%
Golf Maint Seasonal	\$167,840.00	\$103,540.00	62%	\$31,540.00	19%	80%
Pro Shop Seasonal	\$148,580.00	\$29,400.00	20%	\$119,180.00	80%	100%
Total Regular Wages:	\$1,838,644.50	\$812,128.00	44%	\$666,228.50	36%	80%

The 2024 annual NRPA Performance Review report provides average Parks department FTE resource allocation. When looking at the benchmark in proportion of labor spend, Chelan is right at the benchmark with 44% of labor spend (FTE and seasonal) on Maintenance (vs. 46% benchmark), and 35% of labor spend on Operations (vs. 31% benchmark)

6.1.2. Prior attempts

8 years deferred...

As an illustration, the 2016 Parks, Recreation, and Open Space Plan included the first Capital Facilities Plan with which it was concomitant. The golf irrigation project that remains a top priority today was already included and slated for 2016. Eight years ago, it was assessed at \$1.2M in 2016 – whereas it is assessed at over \$2 million now.

Figure 6-8 Parks and Recreation priorities in 2016 Chelan's Capital Facilities Plan

2016 Capital Project List The table below summarizes the City's identified capital expenditures for 2016. The costs identified in this CFP are estimates from adopted plans such as the General Sewer Plan or Transportation Improvement Plan and are subject to change. Note that some costs will be covered by outside sources, such as grants and private development.			
Facility Type	Project Name	Amount	Revenue Source
Municipal Facilities	Chelan Public Library - Second Story Remodel	\$150,000	General Fund
Municipal Facilities	PUD Parking Lot - Parking Kiosk	\$11,000	General Fund
Municipal Facilities Total			\$161,000
Parks and Recreation	Bumper Boat pad area- 1 st phase conversion	\$100,00	General Fund
Parks and Recreation	Lakeshore RV Park- Electrical Upgrade Design and Engineering	\$25,000	General Fund
Parks and Recreation	Relocate Marina Office	\$40,000	General Fund
Parks and Recreation	Clubhouse Pro Shop and basement carpet replacement	\$20,000	General Fund
Parks and Recreation	Resurface and lighting of Don Morse Park Tennis Courts	\$30,000	General Fund
Parks and Recreation	Parks Office	\$350,000	General Fund
Parks and Recreation	Lakeshore RV Park- WiFi (option: Vendor)	\$20,000	General Fund
Parks and Recreation Total			\$585,000
Water System	Booster station upgrades-Highland/ Boyd Road/Daniel	\$1,092,000	Water Fund (GFC)
Water System	Higgs booster station-Construct new pumping station	\$439,000	Water Fund (GFC)
Water System	Meter reading conversion from manual touchpad to radio read	\$581,000	Water Fund (GFC)
Water Total			\$2,112,000
GRAND TOTAL			

Sewer System	Sewer collection system upgrades-slip line/gravity improve/cleanouts (SR155)	\$740,000	Sewer Fund (GFC)
Sewer System	Lift station #10 pump replacement	\$318,000	Sewer Fund (GFC)
Sewer System	Lift station #7 emergency storage	\$48,000	Sewer Fund (GFC)
Sewer System	Lift station #12- Lord Acres lift station and piping	\$1,732,000	Sewer Fund (GFC)
Sewer System	South Chelan PUD boat launch- replace inverted siphon	\$300,000	Sewer Fund (GFC)
Sewer System	Lift station #5- pump replacement, new force mains	\$1,902,000	Sewer Fund (GFC)
Sewer Total			\$5,040,000
Golf	Golf Course Irrigation	\$1,200,000	General Fund
Golf	Golf Course Clubhouse- Exterior Decking, Carpet	\$25,000	General Fund
Golf Course Total			\$1,225,000
Transportation Improvement	East Woodin Sidewalks	\$147,160	City
		\$250,000	TIB
Transportation Improvement Total			\$397,160
Long-range Planning	2017 Comprehensive Plan GMA Update	\$75,000	General Fund
Long-range Planning	Wayfinding Sign Installation	\$35,000	General Fund
Long-range plan implementation Total			\$110,000
GRAND TOTAL			

It is safe to say that, eight years later, only a few of the projects included in the 2016 Capital Facilities Plan were achieved. It is unclear if this is specific to just the Parks and Recreation Department.

Table 6-2 Parks and Recreation Retrospective from 2016 Chelan's Capital Facilities Plan

2016 Capital Facilities Plan – Parks and Recreation				Retrospective		
Year	Project	Fund source	Amount	Status	ROM Est.	Comment
2017	Lakeshore RV Park Electrical Upgrade Installation- 2nd Phase Conversion	G General Fund	\$200,000	✗	\$1.5M	1 of 3 loops was upgraded other 2 are still a priority
2017	New Maintenance Building	G General Fund	\$200,000	✓	\$3.350M	Done 2023. \$2.5M loan funding.
2017+	Water Splash Park	G General Fund	\$375,000	✗	\$500K	Not current priority
2017+	Golf Course Irrigation	G General Fund	\$1,200,000	✗	\$2.7M	Irrigation System Assessment Complete, costs refined, Listed in 2023 CIP plan.
2017+	Golf Course Cart Path Overlay	G General Fund	\$80,000	✗	\$120K	Escalation costs estimate only
2017+	Lakeshore RV Park-Asphalt Overlay Program six loops	G General Fund	\$210,000	✗	\$300K	Recent crack seal and sealcoat will serve for ~3 years.
2018	Lakeshore RV Park New Restrooms and showers	G General Fund	\$250,000	✓	\$640K	Completed in 2020
		TOTAL	\$2,515,000		\$9.1M at today's costs, \$4M worth performed	

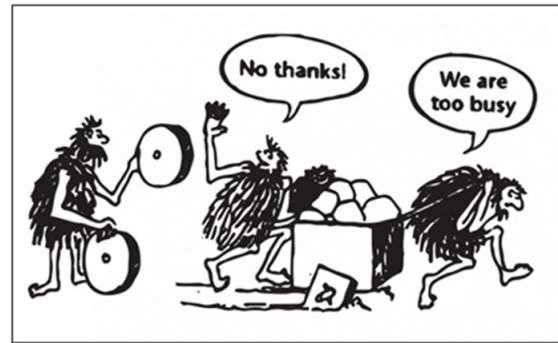
Maintenance & Operations Performance Metrics Best Practice

The Department has never had formalized standards or performance measures. Staffing shortages play a significant role in those standards not being developed. Asset management software was considered in 2020 and maintenance staff was excited about the prospect, but we came to a quick realization that getting the software set up, managing the system, and training staff to use it effectively would exceed the bandwidth of the department. The following best practices were offered from Greenplay Inc. Many of these policies are already in place.

The Department could develop S.M.A.R.T. (specific, measurable, achievable, relevant, and time bound) performance measures in the following and other areas related to core parks maintenance functions.

- *Litter control* – All litter should generally be removed from the parks daily within 24 hours. Litter control minimum service may be two to three times per week in very low use areas – The Department accomplishes this by 8 a.m., 7 days per week during peak season.
- *Graffiti* should be removed within 48 hours/24 hours if offensive language/graphics or gang tags. The Department should maintain a sufficient inventory of replacement signs. Tagging is immediately reported to the Sheriff's Department.
- *Repairs* to assets and elements within 48 hours and signs posted closing an amenity needing repair. Repairs to all elements should be done when problems are discovered provided replacement parts and technicians are available to accomplish the job. When disruptions to the public might be minor and the repair is not critical, repairs may be postponed to a time that is least disruptive to usage patterns.
- *Restroom* maintenance and service should be completed each day a restroom is open to the public and as needed as time permits.
- *Park inspections* – Comprehensive inspections completed weekly; Staff should inspect restrooms and playgrounds daily.
- *Irrigation* – Turf should have a green appearance except for dedicated natural areas. Priority areas for irrigation should be reviewed annually.

Figure 6-9 Skeleton crews can't innovate.



Both written and adopted maintenance standards and performance measures are necessary to encourage and assure proper and timely maintenance of the parks.

2019 Maintenance Study (Prothman Study)

A detailed analysis of parks maintenance was completed in 2019 that addressed staff positions and required work related to operations. The Prothman Study provided many helpful conclusions that can assist and guide the development of maintenance standards and future staffing. Among the conclusions from the 2019 study:

Recommendations related to M&O staffing:

The seasonal workforce pool makes it difficult to attract and retain good seasonal employees, which leads to a turnaround workforce. Low pay scale and seasonal employment without benefits lead to a poor job applicant pool.

- The City Administrator (serving as the Parks Director at the time), along with parks staff, should look at combining some seasonal employment and hiring equivalent FTE(s) to provide a more stable workforce year-round.
 - The 2022 Operating Budget Priority for the department was to raise all front-line staffing salaries to be more competitive, in order to attract and retain qualified staff. The philosophy of "take care of the people and the people will take care of the business" has helped with attraction and retention.
 - A full-time maintenance worker was added in 2022 to provide additional labor during the winter and shoulder seasons in order to reduce the backlog of decades of deferred maintenance.

- If the City continues to have a challenge recruiting part-time maintenance staff, it could consider contracting the maintenance of small pocket parks, such as Miller's Corner. This can reduce travel time and allow staff to concentrate on their work in the larger parks within the City.

Recommendations related to M&O required work:

- Relocate the larger 300-gallon receptacles in key parks, e.g., Don Morse Memorial Park, and improve identification of the smaller 55-gallon garbage receptacles, including improving the lids to prevent winds from blowing garbage out when the covers are left off.
- Choose a standard park color scheme for consistency with park structures and materials.
- Assess the viability and health of key tree stands that could potentially be or become hazard trees, risking injury to park visitors.
- Add concrete mowing strips along all fence lines and the edges of site elements, such as play areas, and concrete pads under all picnic tables, benches, and other obstacles within turf areas.
- Develop a native low-maintenance, fire wise-compliant [meeting fire safety regulations] groundcover scheme for all steep slopes, e.g., the hillside below Pingrey Centennial Park.
- Add an automated reservation system for the RV Park.
- Upgrade Wi-Fi at the RV Park.
- Add a third lane of peak ingress/egress at the RV Park.
- Add staff or provide more frequent monitoring of beach debris cleanup at Don Morse Park.
- Increase the number of ADA parking stalls and access options at all the parks, specifically the Signature parks.
- Add a parking fee kiosk at the parking lot nearest to Lakeside Park.
- Develop a park signage and wayfinding standard for the parks system ensuring the signs are visually accessible, have the correct reflectivity rating, and are elevated appropriately to not compete visually with other site elements such as fences and light posts.
- Implement a Park Facility Master Planning process to review the functionality, maintenance, and life cycle costs of all the park's buildings and structures to determine the highest and best use or recommend replacement or adaptive re-use, including all the structures at the RV Park, Lakeside Park, Don Morse Park, Marina, and the Parks Administration Building.

6.1.3. Maintenance and Operations Needs Analysis

Infrastructure Lifecycle Asset Management Best Practice

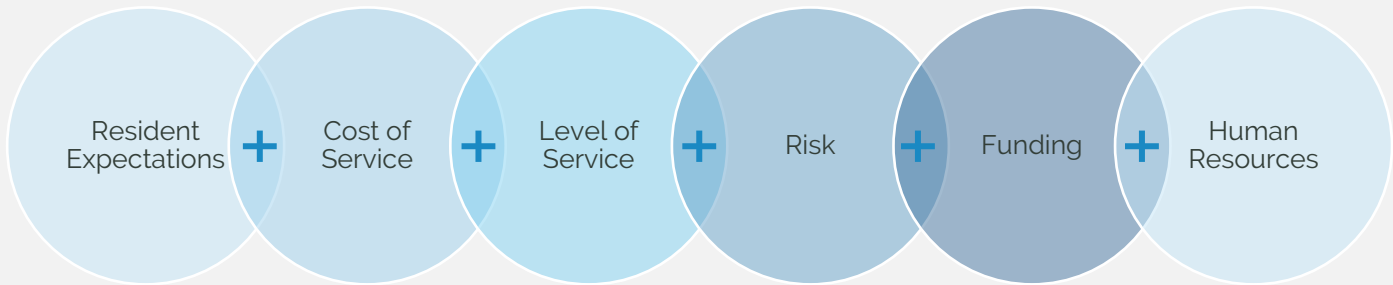
Similar to other assets of the City, park infrastructure represents a significant liability associated with repair, maintenance and renovation. Aging infrastructure requires continuous investment. Generally, resources for routine maintenance are embedded in the Parks operating budget (#110), while more extensive repairs and renovations are funded through one-time appropriations and capital budgets (#310).

As a common best practice, Parks departments tend to conduct full condition analyses every few years (3 years is typical) to quantify the deterioration rate and remaining useful life of each asset in a parks system. A multi-disciplinary team gets assembled from various work groups to visit each facility. Asset conditions are primarily determined by visual inspections and tests, in combination with specific recommendations from engineers and consultants on core infrastructure items such as irrigation and electrical systems.

The city of Chelan has never performed such a full condition analysis; however, our maintenance staff frequently inspects our Parks infrastructures. Department staff end up creating level of service metrics using staff experience and historical practice.

Figure 6-10 What an Asset Management approach can do for Parks**Asset Management Plan ²**

Asset Management is defined as “Managing assets to minimize the total cost of owning, operating, and maintaining those assets while delivering the desired service level at an acceptable level of risk.”



An asset management plan is a long-range planning document that provides a framework for understanding the assets an organization owns and manages, services it provides, risks it assumes, and financial investments required to sustain the services. An asset management plan can help an organization move from reactive to proactive management of its physical and financial resources. The development of an asset management plan requires answers to the following questions:

- What is an asset? What is not an asset?
- Which assets need to be managed?
- What is the current state of the assets?
- What maintenance and capital work are required? When and how much?
- How long until the assets need to be renewed?
- Which assets are critical?
- What levels of service must be provided?
- What is the long-range investment needed to sustain the delivery of services?

The answers to these questions help in the development of an asset management plan. The key elements of the asset management plan development are:

1. Asset inventory – What does the City own and manage?
2. Condition assessment – What are the current conditions and needs of the assets?
3. Risk assessment – Which assets are critical? Which are not?
4. Work management – What work needs to be done? Where, when, and for how much?
5. Life cycle cost assessment – What are the long-term financial needs?
6. Funding analyses – Are there enough funds allocated to the management of the asset to sustain the delivery of that asset?

Goal of the Asset Management Program

The main goal of a city's asset management program is to transition from reactive to proactive planning and management of its park assets. More specifically, Cities overarching goals are to achieve the following objectives:

- To understand the magnitude and timing of park asset reinvestment needs
- To understand the risk associated with park assets
- To develop a data-backed justification to plan and prioritize park asset needs
- To understand the cost to provide service
- To develop a consistent and transparent decision-making process
- To develop a sound data foundation for park asset management
- To communicate and be able to tell the infrastructure story

Some of the major challenges to meeting that goal include the following:

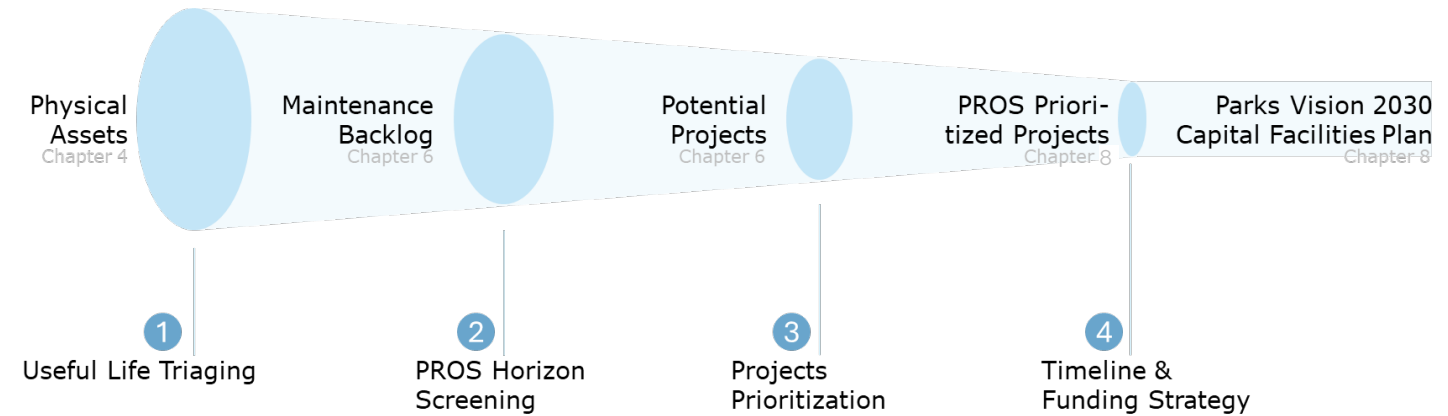
- Old assets in need of maintenance, rehabilitation, or replacement
- High level of service standards
- Limited budget and limited work force
- Loss of institutional history as long-term employees retire

² City of Amarillo Asset Management Plan, <https://www.amarilloparks.org/parks-facilities/parks-asset-management-plan>

Initial deferred maintenance assessment

In the next pages we set out to assess our Parks deferred maintenance.

Figure 6-11 From Parks Inventory to Vision 2030 Planning

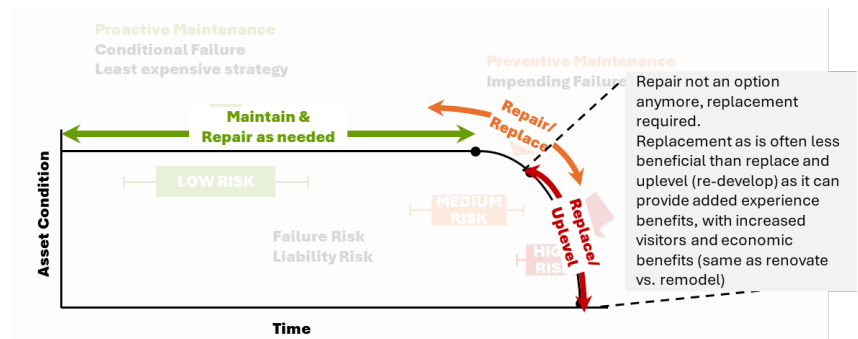


1 We start from the amenities inventory from Chap 4 and the physical assessment of our Parks.

We then triage our assets between a few maintenance options:

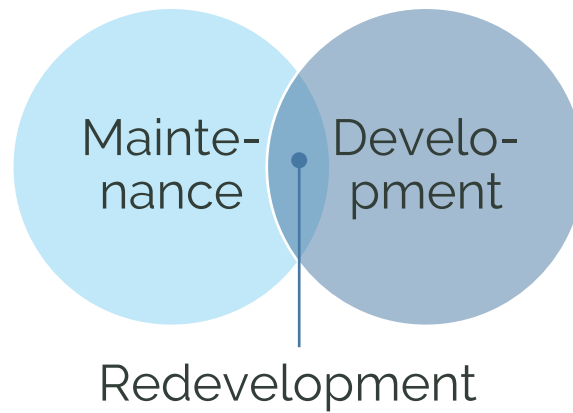
- Maintain as is (no cost)
- Repair/Replace
- Replace and Uplevel

The triaging follows the logic of the performance-failure curve. Ideally, one would have useful life data per asset. In this preliminary version, staff entered based on their knowledge. For many assets, without precise useful life data, after decades in service, it is clear that they are past their useful life.



To make the Chelan Parks Vision 2030 a reality, it will come down to executing a list of projects. These projects will be the sum of projects coming from maintenance, on one side (existing assets) and new development, on the other side. For Parks, new developments are often the acquisition of land and creation of new parks, when cities' populations grow, and new parks need adding to a Parks System to maintain a level of service. As we have seen in Chapter 4, Section Level of Service – Accessibility, Chelan Parks are not planning to need and add new parks in the next few years of this PROS' horizon. As a result, for Chelan, "new development" projects would be in the existing parks. As such, the "Replace and Uplevel" category represents an interesting cross-over between Maintenance and New Development, to be exact, a re-development (similar to the difference between renovating one's house, i.e. maintenance, or remodeling one's house, re-development).

2 In our PROS Planning process, the maintenance backlog then gets a first screening of maintenance needs that will get included in our potential project list. Projects which would be nice to have but are not urgent relative to more urgent maintenance needs and would overtake the Department's capacity to manage and fund capital projects, get pushed out beyond the PROS 6 years horizon, and not included in the potential project list.



- 3 To finish describing our data-driven approach, in Chapter 7, Strategy, the list of potential projects then gets prioritized, using a scoring approach we will describe.
- 4 The prioritized projects are those that will get included in the Parks Capital Facilities Plan.

Figure 6-12 Screening the maintenance backlog

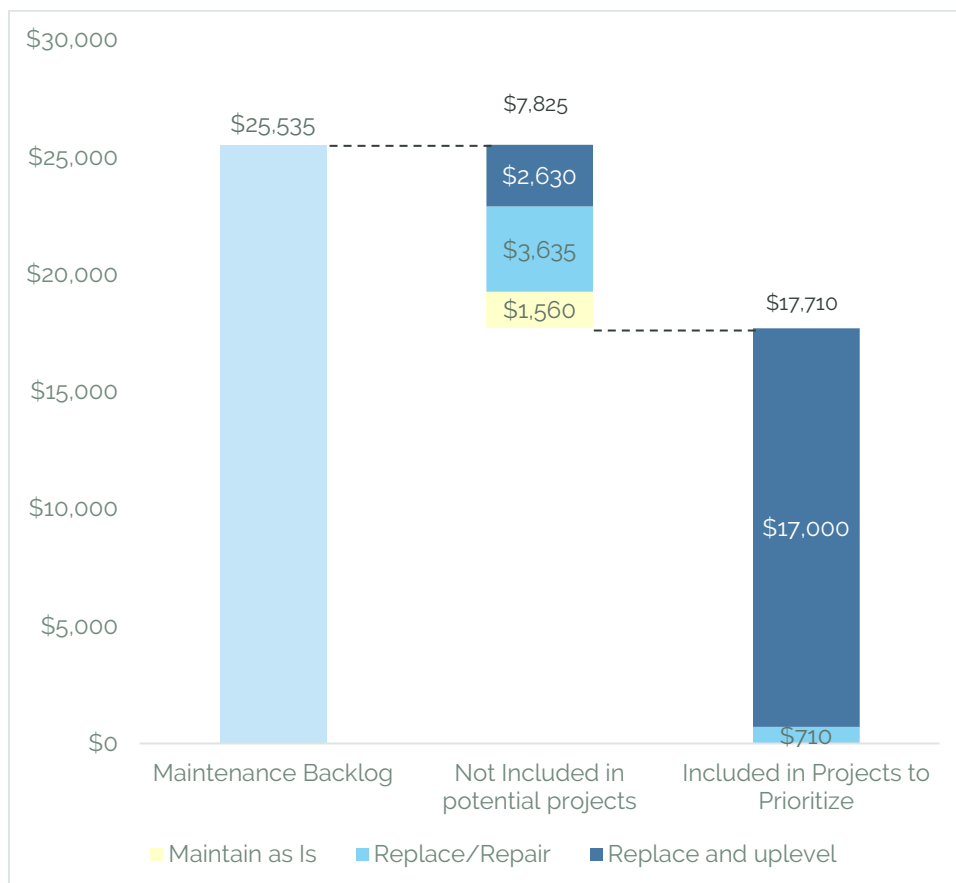


Table 6-3 Chelan Parks System Initial Asst Management

Park	Included	Asset type	Current Hypothesis	Components	count	state	Comment	Sum of \$costs
Chelan Gorge	Included	components	Replace and Uplevel	Diamond Field	3	●	determine during masterplanning in 2024	\$840,000
Chelan Gorge	Not Included	Buildings	Repair/Replace	Restrooms	1	●	determine during masterplanning of 2024 restroom/concession	\$400,000
Chelan Gorge	Not Included	components	Maintain as is	Concessions	1	●	determine during masterplanning in 2024	\$750,000
Chelan Gorge	Not Included	components	Maintain as is	Horseshoe Complex	12	●	determine during masterplanning in 2024	\$0
Chelan Gorge	Not Included	components	Maintain as is	Parking Lots	1	●	determine during masterplanning in 2024	\$400,000
Chelan Gorge	Not Included	components	Replace and Uplevel	Batting Cage	3	●	determine during masterplanning of 2024 - cover cages for winter use	\$10,000
Chelan Gorge	Not Included	components	Replace and Uplevel	Playground, Local	1	●	determine during masterplanning of 2024	\$200,000
Chelan Gorge	Not Included	components	Replace and Uplevel	Rectangular Field, overlay	3	●	determine during masterplanning of 2024	\$2,000,000
Don Morse Park	Included	Buildings	Replace and Uplevel	Restrooms	1	●	underground facility wouldn't block Lakesidee views	\$650,000
Don Morse Park	Included	components	Replace and Uplevel	Parking Lots	1	●	pull main DM lot back from lake, add tree islands and stormwater to code	\$1,000,000
Don Morse Park	Included	components	Replace and Uplevel	Playground, Local	1	●	destination playground is optimal - current one well past lifespan	\$4,500,000
Don Morse Park	Included	components	Replace and Uplevel	Skate Park	1	●	an inground concrete feature is preferred/ skatelite 5 yr lifespan	\$1,500,000
Don Morse Park	Included	components	Repair/Replace	Tennis Court	2	●	resurface every 4-8 years	\$60,000
Don Morse Park	Included	trails	Replace and Uplevel	Trails & Paths within Parks	1	●	Promenade along entire waterfront - ADA compliant (new or upgrade)	\$750,000
Don Morse Park	Not Included	Buildings	Maintain as is	Concession LakeRider	1	●	concessionaire invested in insulation, cabinets, etc.	\$0
Don Morse Park	Not Included	Buildings	Maintain as is	Concession Putting Course	1	●	functional for purpose	\$0
Don Morse Park	Not Included	Buildings	Maintain as is	Maintenance building	1	●	replaced a 75 year old building w/o restrooms or running water	\$0
Don Morse Park	Not Included	Buildings	Maintain as is	Parks Office	1	●	new 2016	\$0
Don Morse Park	Not Included	Buildings	Maintain as is	Restrooms	1	●	new facility at the Parks Maintenance Building	\$0
Don Morse Park	Not Included	Buildings	Repair/Replace	Concession Go Carts	1	●	building needs tennant repairs	\$0
Don Morse Park	Not Included	components	Maintain as is	Golf, Putting Course	1	●	fountain could be a main feature minor landscape planting	\$100,000
Don Morse Park	Not Included	components	Maintain as is	Open Turf	1	●	operating budget covers	\$0
Don Morse Park	Not Included	components	Maintain as is	Shelter, Small	1	●	minor repairs <10K - add 6 affixed picnic tables and a grill	\$10,000
Don Morse Park	Not Included	components	Maintain as is	Volleyball Court	4	●	periodic sand refilling/ net replacement etc.	\$0
Don Morse Park	Not Included	components	Maintain as is	Water Access, Developed	1	●	as is includes regular beach erosion control/ sand replentishment \$4k/yr	\$0
Don Morse Park	Not Included	components	Maintain as is	Water Access, General	1	●	includes regular driftwood removal, bouy and swim line maintenance	\$0
Don Morse Park	Not Included	components	Repair/Replace	Basketball, Practice	4	●	slanted court should relocate to current skatepark concrete pad	\$100,000
Don Morse Park	Not Included	components	Repair/Replace	Go Kart Track	1	●	privately managed minor upkeep needed	\$0
Golf Course	Included	components	Replace and Uplevel	Golf Irrigation	1	●	core infrastructure of golf course (\$2.2M in 2021 +9% = \$2.4M + 2 pumps)	\$2,800,000
Golf Course	Included	components	Repair/Replace	Golf Cart Path	18	●	tree root intrusion should be mitigated and paths repaired or replaced	\$200,000
Golf Course	Not Included	Buildings	Maintain as is	Golf Cart Shed	3	●	functional	\$0
Golf Course	Not Included	Buildings	Maintain as is	Restrooms	1	●	Functional back g	\$0
Golf Course	Not Included	Buildings	Maintain as is	Restrooms	1	●	Functional front g	\$0
Golf Course	Not Included	Buildings	Repair/Replace	Golf Clubhouse	1	●	Substantive Improvements in 2022 and 2023, pro shop office needs refurb	\$200,000
Golf Course	Not Included	Buildings	Repair/Replace	Golf Maintenance Shed	1	●	needs a facility assessment but possibly expand and renovation needed	\$400,000
Golf Course	Not Included	components	Maintain as is	Golf, Practice	1	●	putting green could be relocated	\$0
Golf Course	Not Included	components	Maintain as is	Parking Lots	2	●	bottom lot and entry road needs crackseal and sealcoat	\$100,000
Golf Course	Not Included	components	Repair/Replace	Clubhouse Landscaping	1	●	20 yr lifespan	\$25,000
Golf Course	Not Included	components	Repair/Replace	Golf Bunker Sand	11	●	5-12 yr lifespan, replaced ~10 years ago	\$50,000
Golf Course	Not Included	components	Repair/Replace	Golf Greens	18	●	15-30 yr lifespan 45 years since installed	\$1,000,000
Golf Course	Not Included	components	Repair/Replace	Golf Tees	48	●	15-20 yr lifespan, replaced ~20 years ago 5k/tee x 48	\$200,000
Golf Course	Not Included	components	Repair/Replace	Golf, Driving Range	1	●	needs concrete tee pads for turf recovery	\$10,000
Golf Course	Not Included	components	Repair/Replace	Golf, Fairway	18	●	30 yr lifespan, created 45 years ago - need to be regraded	\$750,000
Golf Course	Not Included	components	Repair/Replace	Golf, Water Feature	2	●	20-30 yr lifespan, replaced ~30 yrs ago - replace liners holes 2, 18	\$200,000

Park	Included	Asset type	Current Hypothesis	Components	count	state	Comment	Sum of \$costs
Lakeside	Included	Buildings	Replace and Uplevel	Restrooms	1	●	included in LWCF grant 2024-2025 execution	\$750,000
Lakeside	Included	components	Replace and Uplevel	Dock	1	●	included in LWCF grant 2024-2025 execution (Dock & Swim Area)	\$250,000
Lakeside	Included	components	Replace and Uplevel	Path w/in Park	1	●	included in LWCF grant 2024-2025 execution (ADA upgrades)	\$250,000
Lakeside	Included	components	Replace and Uplevel	Playground, Local	1	●	included in LWCF grant 2024-2025 execution	\$250,000
Lakeside	Included	components	Replace and Uplevel	Water Access, Developed	1	●	included in LWCF grant 2024-2025 execution	\$150,000
Lakeside	Not Included	components	As planned/funded	Water Access, General	1	●	included in LWCF grant 2024-2025 execution	\$0
Lakeside	Not Included	components	Maintain as is	Basketball, Practice	1	●	small practice court	\$0
Lakeside	Not Included	components	Maintain as is	Open Turf	1	●	turf management is strong given heavy use	\$0
Lakeside	Not Included	components	Maintain as is	Parking Lots	1	●	could restripe to increase capacity - a partial street right of way	\$200,000
Lakeside	Not Included	components	Maintain as is	Volleyball Court	1	●	small practice court, modest construction	\$0
Marina	Included	Buildings	Replace and Uplevel	Restrooms	1	●	undeground facility wouldn't block Lakesidee views	\$650,000
Marina	Included	components	Replace and Uplevel	Parking Lots	1	●	will need to be brought up to code	\$800,000
Marina	Included	components	Repair/Replace	Seawall	1	●	functions but aesthetically detrimental (rust)	\$250,000
Marina	Included	trails	Replace and Uplevel	Trails & Paths within Parks	1	●	Promenade along entire waterfront - ADA compliant (new or upgrade)	\$400,000
Marina	Not Included	Buildings	Maintain as is	Drive In Restaurant	1	●	Lakesideeview Drive In	\$0
Marina	Not Included	Buildings	Maintain as is	Hanger	1	●	tree care needed for large cottonwood nearby	\$0
Marina	Not Included	Buildings	Repair/Replace	Marina Office	1	●	minor upgrades for efficiency, customer windoe per Lakesidee rider	\$100,000
Marina	Not Included	components	Replace and Uplevel	Dock	1	●	Minor electrical upgrades	\$400,000
other	Not Included	Buildings	Repair/Replace	Restrooms	1	●	US Forest - Should we maintain and clean this off site restroom?	\$200,000
other	Not Included	trails	Maintain as is	Roundabout Near Lookout	1	●	Streets Dept. better fit?	\$0
other	Not Included	trails	Maintain as is	Trail to Community Center	1	●	Streets Dept. better fit?	\$0
other	Not Included	trails	Maintain as is	Trail to Lakesideeside	1	●	Streets Dept. better fit?	\$0
RV	Included	components	Replace and Uplevel	Picnic Tables	163	●	past life expectancy relatively cheap upgrade for high impact	\$160,000
RV	Included	components	Repair/Replace	Roadway and Pads	1	●	overlay or replacement needed, recent sealcoat will buy several years	\$200,000
RV	Included	components	Replace and Uplevel	RV Power Pedestals	163	●	need to replace ~120 pedestals and upgrade to 50 amp capacity	\$1,300,000
RV	Not Included	Buildings	Maintain as is	Restrooms	3	●	Renovated in 2020	\$0
RV	Not Included	components	Replace and Uplevel	Camping, Defined	163	●	signage after branding	\$20,000
Grand Total								\$25,535,000

The table to the left accomplishes three things:

Provides Rough Order of Magnitude estimates of our deferred maintenance needs as is. We have over \$25 million worth of projects to complete.

Helps to illustrate the fact that often “replace and uphevel” makes financial sense in context of:

Original facilities may have been placed without a parks master plan guiding design decisions, and hence may not be cited to optimize the overall park potential.

Replacing high-maintenance items with items of lower lifecycle costs even if this means higher costs in the short term. For example, replacing a maintenance prone Skatelite skatepark with a concrete skatepark.

Provides a framework creating asset management tables for staff to complete. These would be organized by park, and provide a more granular inventory, complete the ‘actual age,’ column, tighter budget estimates, and square footage for buildings.

Figure 6-13 This pothole was repaired with funding from an RCO deferred maintenance grant for asphalt preservation in May 2024.



Table 6-4 Assets Maintenance Included for Project Prioritization

Maintenance Projects Included	Replace and Uplevel	Repair/Replace	Grand Total
Chelan Gorge	\$840,000		\$840,000
Diamond Field	\$840,000		\$840,000
Don Morse Park	\$8,400,000	\$60,000	\$8,460,000
Parking Lots	\$1,000,000		\$1,000,000
Playground, Local	\$4,500,000		\$4,500,000
Restrooms	\$650,000		\$650,000
Skate Park	\$1,500,000		\$1,500,000
Tennis Court		\$60,000	\$60,000
Trails & Paths within Parks	\$750,000		\$750,000
Golf Course	\$2,800,000	\$200,000	\$3,000,000
Golf Cart Path		\$200,000	\$200,000
Golf Irrigation	\$2,800,000		\$2,800,000
Lakeside	\$1,650,000		\$1,650,000
Dock	\$250,000		\$250,000
Path w/in Park	\$250,000		\$250,000
Playground, Local	\$250,000		\$250,000
Restrooms	\$750,000		\$750,000
Water Access, Developed	\$150,000		\$150,000
Marina	\$1,850,000	\$250,000	\$2,100,000
Parking Lots	\$800,000		\$800,000
Restrooms	\$650,000		\$650,000
Seawall		\$250,000	\$250,000
Trails & Paths within Parks	\$400,000		\$400,000
RV	\$1,660,000		\$1,660,000
Picnic Tables	\$160,000		\$160,000
Roadway and Pads		\$200,000	\$200,000
RV Power Pedestals	\$1,300,000		\$1,300,000
Grand Total	\$17,000,000	\$710,000	\$17,710,000

6.1.4. Maintenance & Operations Conclusions and Recommendations

M&O – A strategic opportunity to uplevel our Parks system and our park management practices

The maintenance staffing after backfilling unfilled positions is adequate. The maintenance cost is in range with benchmark. The new Maintenance building provides a safe, efficient maintenance shop. Patrons do not seem to complain about day-to-day maintenance of the Parks. **All in all, the day-to-day maintenance of the Parks is satisfactory and often complemented.**

What is not satisfactory is the condition of the amenities. On that point, our patrons are clear: The first and second item of what would help them use the Parks facilities more were additional amenities, for one, and better conditions/maintenance, for second. As listed in Prothman report in 2019, and assessed anew in our table 6.12,

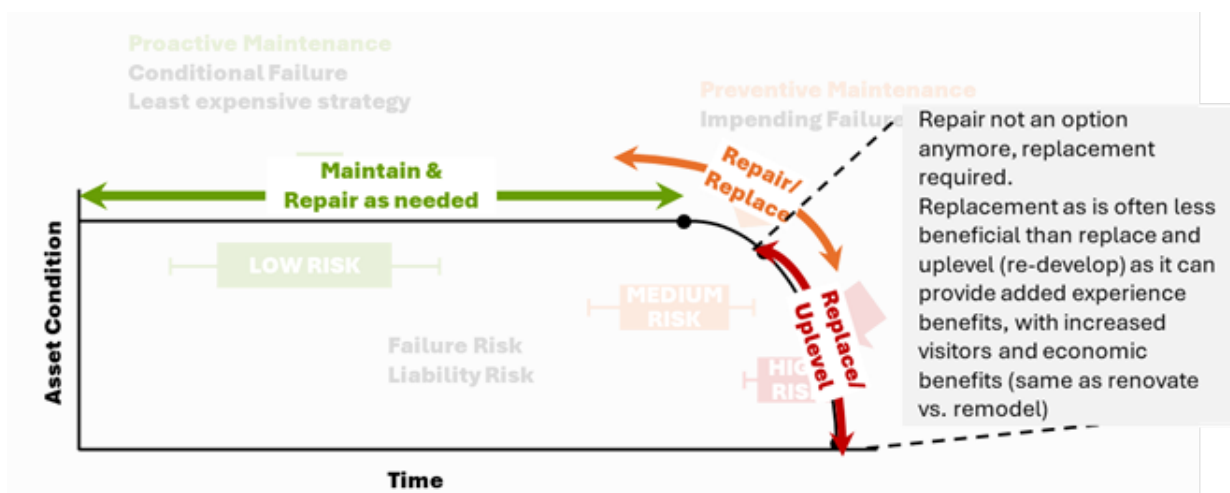
several Parks have basic amenities past their useful life that beg replacement. Restroom capacity is insufficient in the peak months, particularly at Lakeside Park.

Many of these amenities have been slated for renovation for several years. ***What our patrons lament is a deferred maintenance issue.*** What stands in the way is (a) funding and (b) staff bandwidth (see next Section 6.2 on Staffing Assessment and capital development staffing). Our initial rough estimate puts the deferred maintenance total at above \$20 million. To compound the issue, as time passes, the assets further deteriorate, and the cost of renovation increases. Furthermore, the condition of certain amenities might eventually expose the City to liability risks.

As we conclude this Maintenance and Operations section, recommending a maintenance management software, implementing maintenance metrics, or other punctual guidance, while interesting, does not appear to top the list of maintenance and operations priorities. This section ought to have one recommendation and one only: Create an Asset Management Plan which will allow the department to document the level of deferred maintenance with increased precision and build the prioritized deferred maintenance into our Capital Plan as appropriate. Below, we are augmenting our proposed project list with a flag identifying the projects with a high deferred maintenance priority.

Just like one can make lemonade out of lemons, the deferred maintenance presents an opportunity. Renovating amenities long past due will provide the impetus to re-develop the Park, re-invent it to today's standards and community's aspirations, as we will propose in Chapter 7, next chapter, on Strategy.

On that note, the maintenance building completed in 2023 shows us the way, and how to turn a deferred maintenance challenge into an opportunity. The initial design had not considered adding public restrooms, but when reexamined by a committee dedicated to the task of placement, design, and function, all thought that adding public restrooms was a great fit.



6.2 Staffing Assessment

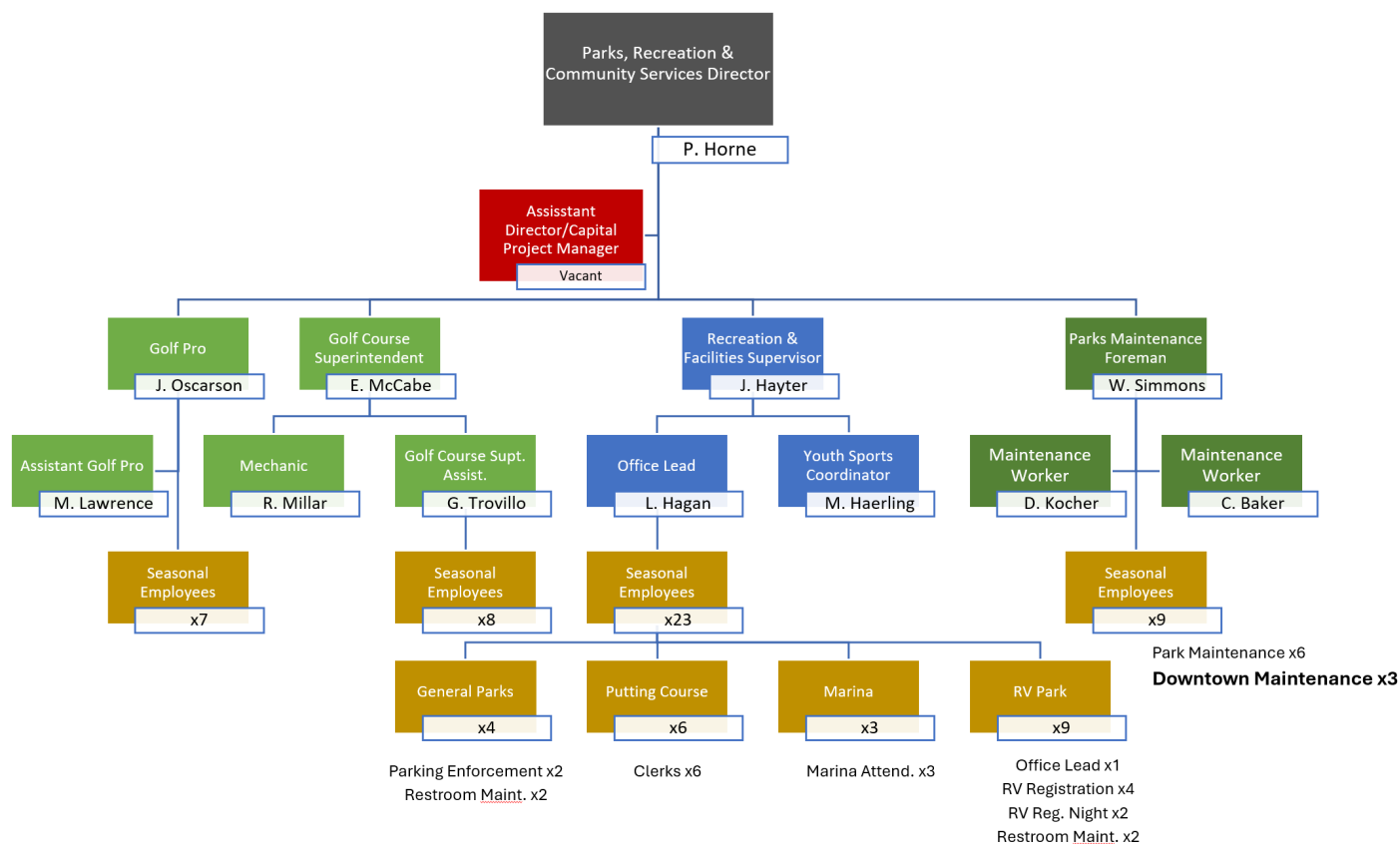
6.2.1. Departmental Organization

The Director of Parks, Recreation, and Community Services oversees the Department. Currently this includes direct management of daily operations, budgeting, managing personnel, park and facility operations and recreation services, as well as overseeing long-term planning, capital improvement projects and policy/pricing policy. The management of capital development projects takes up about 50 percent of his time. After several years, 2024 has a budgeted position for Assistant Director/ Capital Project Manager vacant awaiting the arrival of our new Human Resources Director to proceed with the hiring process.

The Director is supported by a Recreation and Facilities Supervisor who oversees many of the day-to-day operating responsibilities for both parks and recreation.

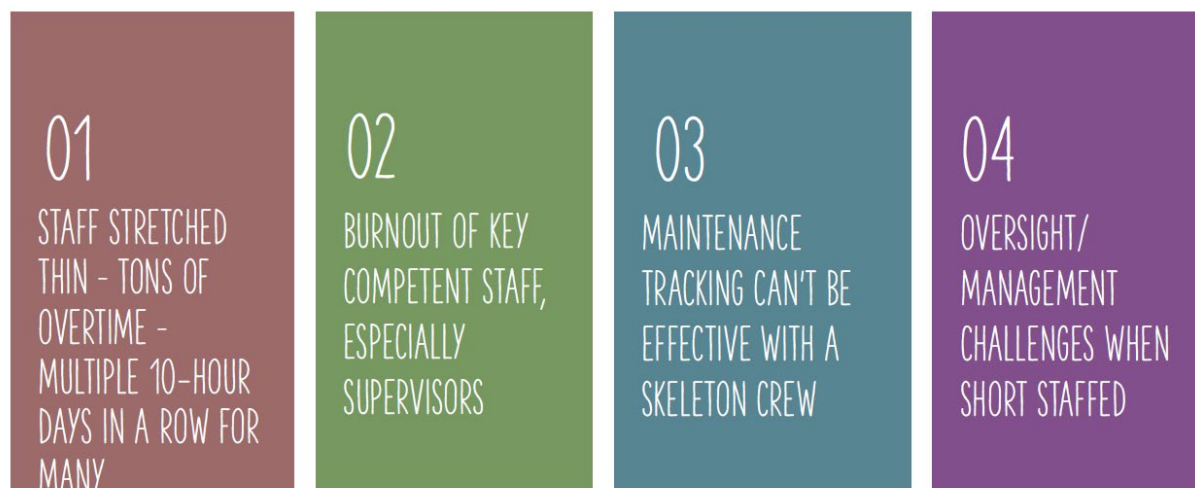
Figure 6-8 covers the organizational chart of the Parks & Recreation Department. A total of 11.5 full time employees, 5 on Golf and Golf Pro, 0.5 on Recreation, 5 on General Parks, Marina and RV Park (2 for admin and 3 on Maintenance), and a department lead. With vacancies, departures and backfill the Department has oscillated around 9-10 over the years.

Figure 6-14 Parks and Recreation Organization Chart, 2023



Staff are stretched thin and reactive to priorities. Staff presented four staffing concerns to City Council in September 2021 that summarized key challenges.³

³ State of the Parks, City Council Strategic Retreat, September 25, 2021



2023 remained a challenging year, as the maintenance staff was spread thin contributing to the Facilities Building project (and lowering the total project cost from architect estimate of \$3.6M down to final cost of \$3.35M). We also lost a valuable long-term employee (Kim) who played a key role in RV Park operations. We had a vacancy in Parks Maintenance, and our Golf Maintenance Superintendent was in essence, permanently on call.

Three positions were added in 2024 to help support key supervisors, to provide succession planning options, and to reduce burnout for our diligent key supervisors. These positions included an Office Lead for the RV park/ putting course/ parking/ general parks, An Assistant Golf Maintenance Supervisor, and the backfilling of a vacant Parks Maintenance Worker. All areas of operations are benefiting from these new positions.

In 2024, operating from the new maintenance building, the maintenance staff has more leeway to initiate deferred maintenance projects, and as of May 2024 already completed several major projects in addition to their extensive list of regular duties gearing up for another busy summer season.

The organization remains challenged around capital projects as we will see below.

6.1.1. Staffing Level Analysis

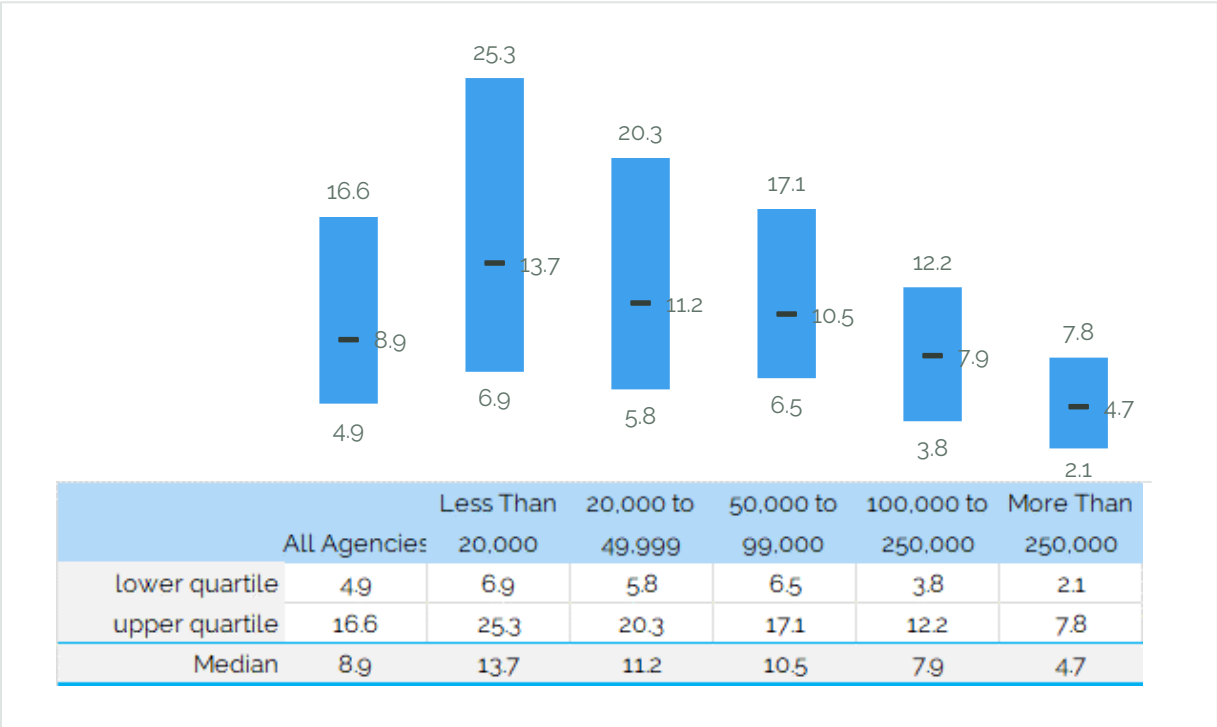
Different seasonal staff will work different durations during the year and different hours per week. Once these variations are considered, the table 6-2 below details the department's complete staffing level, totaling **33 Full Time Equivalents (FTEs)**. Our complement of forty seasonal staff this year converts to 21.6 FTEs.

Table 6-5 Parks and Recreation FTE staffing for 2024

	Seasonal FTE		Sub- total	Full time Employees			Sub- total	TOTAL
	Maintenance	Programmers		Maintenance	Programmers	Admin		
General Parks	4.4	0.8	5.3	3.0		2.0	5	10.3
Recreation	0.0	0.4	0.4		0.5		0.5	0.9
Sub-total General Parks	4.4	1.2	5.7	3.0	0.5	2.0	5.5	11.2
RV Park	2.7	3.1	5.8			1.0	1.0	6.8
Putting Course	0.7	1.8	2.5				0.0	2.5
Marina	0.0	0.9	0.9				0.0	0.9
Golf Maintenance	2.5	0.7	3.2	2.0			2.0	5.2
Golf Pro Shop	0.7	2.9	3.6		3.0		3.0	6.6
Sub-Total Enterprises	6.5	9.4	15.9	2.0	3.0	1.0	6.0	21.9
Total	10.9	10.7	21.6	5.0	3.5	3.0	11.5	33.1

While the number of staff increases as the population increases, the same is not true for the ratio of FTEs to residents. According to the NRPA annual 2024 Performance Review, agencies serving a population of fewer than 20,000 people, have a median of 13.7 FTEs for every 10,000 residents. This ratio decreases as population increases. At agencies serving 50,000 to 99,999 people, there are 10.5 FTEs (median) for every 10,000 residents. At agencies in jurisdictions of more than 250,000 residents, the ratio declines to an average of 4.7 FTEs per 10,000 residents. Overall, the ratio of FTEs across jurisdiction populations is 8.9 FTEs per 10,000 residents.

Figure 6-15 NRPA 2024 Full Time Equivalent Employees per 10,000



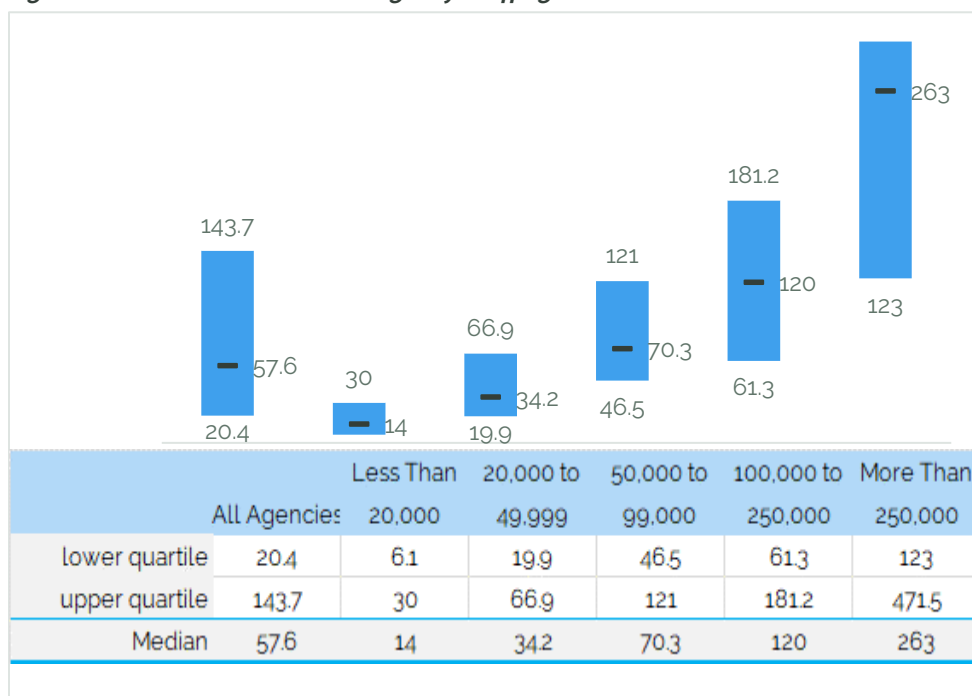
According to the 2017 City's Comprehensive Plan, Chelan serves a permanent population of between 4,000-5,000, but a seasonal population of 25,000 in peak summer months. (p 2-4). To these seasonal residents, one would have to add the tourists, who only visit. Given the Chamber of Commerce count of 4.1M visits /year, estimating an extra 100,000 equivalent residents seems reasonable (author's assumption). This Estimate would lead to an annual resident average of ~35,000 (table 6-3)

Table 6-6 Chelan's Resident Equivalent Estimate

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full year
4,392	4,392	4,392	4,392	4,392	125,000	125,000	125,000	4,392	4,392	4,392	4,392	34,544

Using the all-agencies median of 8.9 FTE for every 10,000 residents, one would expect a Parks department supporting a population of 35k residents to be 31 FTE strong. Similarly using the 20,000-49,999 benchmark of 11.2 median FTEs per 10,000 residents would lead to a **38.6 FTE** strong department.

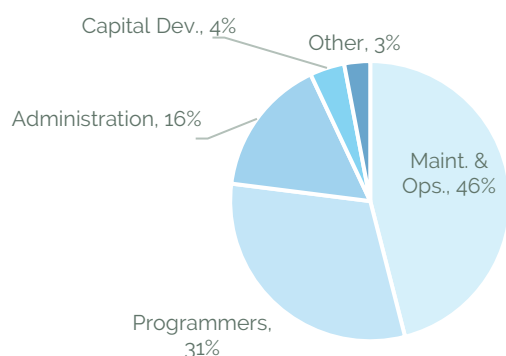
It follows that with 33 FTEs, Chelan's Park and Recreation could be reasonably sized overall. The key to using this benchmark really is the estimate of population served taking into account high inflow of visitors in Chelan.

Figure 6-16 Park and Recreation Agency Staffing

With 11.5 full time employees serving 4,392 year round residents, Chelan Parks Department is around the 14 FTE median of agencies serving communities of less than 20,000 inhabitants.

Adding the Seasonal workforce for a total of 33 FTE, the Department workforce falls in the median range typical of 20,00-50,000 strong community, which is within our estimate given summer residents and visitors.

6.1.2. Staffing Mix Analysis



Still according to the NRPA annual 2024 Performance Review, among the various responsibilities of park and recreation staff, almost half of FTEs are responsible for operations and maintenance. About 30 percent of FTEs are responsible for programming, and 16 percent are responsible for administration.

What NRPA call programmers, facilitate recreation programs offered by the agency. In that sense our Golf, RV, Marina staff are similar as they facilitate recreational activities.

Table 6-7 Chelan's Park Staffing Mix

Full Time Equivalent (FTE)		Maintenance	Programmers	Admin	TOTAL
General Parks	Seasonal in FTE	4.4	1.2		5.7
	Full time employees	3.0	0.5	2.0	5.5
	TOTAL	7.4	1.7	2.0	11.2
		67%	15%	18%	100%
Enterprise Parks	Seasonal in FTE	6.5	9.4		15.9
	Full time employees	2.0	3.0	1.0	6.0
	TOTAL	8.5	12.4	1.0	21.9
		39%	57%	5%	100%
Total PARKS	Seasonal in FTE	10.9	10.7		21.6
	Full time employees	5.0	3.5	3.0	11.5
	TOTAL	15.9	14.2	3.0	33.1
		48%	43%	9%	100%
NRPA Benchmark		46%	31%	16%	

In aggregate the Department is in line with the NRPA benchmark on maintenance (48% vs. 46%), heavy on programmers (43% vs. 31%) and light on admin (9% vs 16%). Because we consider our non-maintenance Enterprise staffing to be like recreation programmers, the over index on programmers is even heavier in Enterprise Parks (57% vs. 31%).

Our General Parks propose limited recreation programming; hence the mix is over indexed on maintenance. If Chelan's Park and Recreation were to develop their recreation programming further, the gap of non-Enterprise recreation staff would have to be filled with 1 full-time recreation coordinator and a full-time programmer.

Beyond these differences, one item stands out however: the Parks Department has no capital development staff (planners), whereas the benchmark would expect 4% of FTE to be dedicated to it. With an overall staffing of 33 FTEs, which would represent 1.3 planning FTE. As the name suggests, capital development staff support capital projects. Having no planner within the department has major repercussions:

- Bottleneck on capital project execution (\$2m+ capital carry-over from 2023 to 2024 for example)
- No staff for grant applications, leading to untapped capital funding
- Both of the former lead to further deferred maintenance
- Limited capital funding, in turn, leads to resorting to maintenance staff to reduce project cost (which leads to increased overtime and labor costs)

As such, staffing planners/ capital project managers in the Department becomes a pre-requisite to being able to embrace the projects envisaged in this 2024 PROS Plan.

For reference, the City's Public Works Department currently has four professional staffers, the Public Works Director, the City Engineer, the Development Project Manager, and the Operations Manager. As shown in table 6-5 below, that leads to each of them on average managing \$1-2M capital project per year.

Table 6-8 Chelan's capital budget per planner

Expenses (\$M)	2019	2020	2021	2022	2023
301 - Capital Projects	\$0.4	\$0.5	\$0.4	\$1.9	\$0.8
302 - Street Capital	\$1.7	\$0.2	\$0.2	\$2.0	\$0.4
406 - Water capital	\$1.3	\$2.7	\$1.7	\$2.4	\$2.2
407 - Sewer capital	\$1.7	\$1.8	\$3.1	\$2.9	\$1.7
Public Works Sub-total	\$4.7	\$4.8	\$5.1	\$7.3	\$4.2
PW professional staffers 4					
\$M capital project per pro staffer	1.17	1.19	1.27	1.83	1.06
310 - Parks Capital	\$1.7	\$0.6	\$0.5	\$0.4	\$5.2

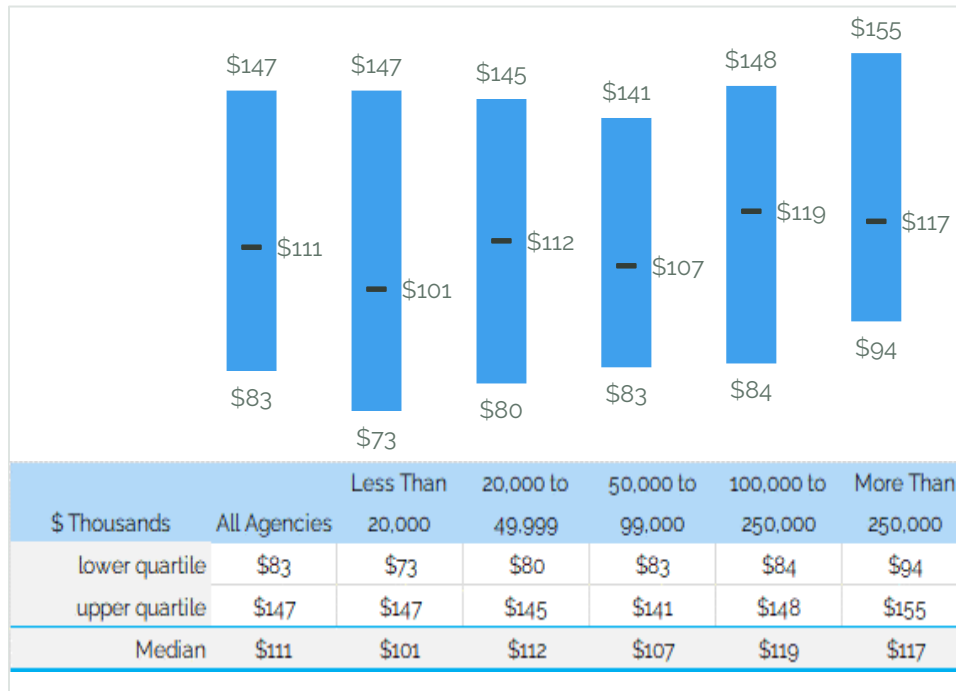
As we covered in prior section, the Parks department is facing both a significant maintenance backlog and an opportunity to uplevel the Parks System. This would entail \$1.5-3M capital spend per year for the short medium-term.

Using both the NRPA national benchmark (1.4 planner for a 33 FTE department), and the comparison with our Public Works department, Chelan's Park Department would require hiring 1-2 Capital Project Managers/ Planners to move forward both on deferred maintenance and the 2030 Parks Vision.

6.1.3. Labor Cost Analysis

Benchmark

Figure 6-17 Operating expenditure per FTE



At \$99k per full time employee, Chelan is within the NRPA benchmark for agencies serving populations less than 20,000 residents (\$101k). However, Chelan has a fairly high cost of living. The departure of one full-time employee who had long longevity with the department lowered the Department's average cost per full-time employee.

Relying on seasonal staff during the peak summer months materially reduces the cost per head. It comes at a cost of course: lack of institutional knowledge, and cost of hiring, managing and overseeing large number of impermanent staff year after year.

Table 6-9 Parks and Recreation Operating Expenses per FTE

\$ Thousands	2019	2020	2021	2022	2023
Labor cost Seas *	\$669	\$585	\$743	\$772	\$897
Seas FTE **	21.6	21.6	21.6	21.6	21.6
\$k per Seas FTE	\$31	\$27	\$34	\$36	\$42
Labor Cost FT *	\$861	\$966	\$1,007	\$1,183	\$1,136
FT #	~10	~10	9.5	8.5	11.5
\$k per FT	\$86	\$97	\$106	\$139	\$99
Labor Cost Total *	\$1,530	\$1,551	\$1,750	\$1,955	\$2,034
FT and Seas FTE	31.6	31.6	31.1	30.1	33.1
\$k per FTE	\$48	\$49	\$56	\$65	\$61

* Labor costs include wages, benefits and overtime

** Number of Seasonal (weeks and hours) vary per yr, data unavailable, assumed same as 2023

Productivity

As revenue grew from \$2.9M in 2019 to \$4m in 2023 (with 2020 COVID slowdown and subsequent 2021 rebound in between), labor content as measured by labor cost as percentage of revenue has remained very stable around 50%. There are no gains in productivity, nor are there increased labor costs to scaling revenue.

The mix between wages and overtime across full-time employees and seasonal staff has also remained constant. Overtime has increased by 1% between 2022 and 2023, rising by \$50k. This was balanced out by reduction in wages and benefits with an overall reduction of labor costs. The increase in overtime was driven half (\$25k) by RV, where one Assistant Supervisor position was vacant for a long part of the year, and by \$25k from General Parks, where the maintenance crew contributed to the maintenance building construction, while having a vacancy unfilled.

Table 6-10 Parks and Recreation Labor Cost Breakdown

\$ Thousands	% of rev.	2019	% of rev	2020	% of rev	2021	% of rev	2022	% of rev	2023
Total Labor	53%	\$1,530	61%	\$1,551	49%	\$1,750	53%	\$1,955	50%	\$2,034
Wages	36%	\$1,047	43%	\$1,097	33%	\$1,165	35%	\$1,311	33%	\$1,349
Benefits	16%	\$448	18%	\$454	13%	\$466	14%	\$526	13%	\$517
Overtime	1%	\$35	0%	\$0	3%	\$119	3%	\$118	4%	\$168
Revenues		\$2,879		\$2,531		\$3,577		\$3,711		\$4,033

Labor Cost Trend

As expected, the Park Enterprises being commercial enterprises have higher revenues to cover their labor costs, and the labor content is lower than the General Parks (26% vs 86%). The mix between full-time vs. seasonal in both general parks and Enterprise remains stable over time.

Table 6-11 Parks and Recreation Labor Recovery Rates

	\$ Thousands	2019			2020			2021			2022			2023		
		FT	Seas.	Total	FT	Seas.	Total	FT	Seas.	Total	FT	Seas.	Total	FT	Seas.	Total
General Parks	Revenue			\$1,153			\$1,154			\$1,489			\$1,520			\$1,647
	Labor Cost	\$617	\$432	\$1,049	\$730	\$389	\$1,119	\$768	\$489	\$1,257	\$898	\$486	\$1,385	\$865	\$558	\$1,423
	% labor	54%	37%	91%	63%	34%	97%	52%	33%	84%	59%	32%	91%	52%	34%	86%
Enterprise Parks	Revenue			\$1,726			\$1,376			\$2,088			\$2,191			\$2,385
	Labor Cost	\$243	\$237	\$480	\$236	\$196	\$433	\$239	\$254	\$493	\$285	\$285	\$570	\$272	\$339	\$611
	% labor	14%	14%	28%	17%	14%	31%	11%	12%	24%	13%	13%	26%	11%	14%	26%
Total Parks	Revenue			\$2,879			\$2,531			\$3,577			\$3,711			\$4,033
	Labor Cost	\$861	\$669	\$1,530	\$966	\$585	\$1,551	\$1,007	\$743	\$1,750	\$1,183	\$772	\$1,955	\$1,136	\$897	\$2,034
	% labor	30%	23%	53%	38%	23%	61%	28%	21%	49%	32%	21%	53%	28%	22%	50%

6.1.4. Staffing Analysis Conclusion

- The Department employs 11.5 full-time employees and during the peak summer months adds ~40 seasonal positions, which convert to 21.6 FTE, for a total size of the department of 33.1 FTE.
- The Parks Department has a complex organization for the size of the community, given the number of enterprise parks (businesses) that it operates: RV, Golf, Marina, Putting Course, Parking, Concessions
- Using the 2024 NRPA Performance Review benchmarks, the overall size of the department is commensurate with the community it serves, whether one looks at 4,392 year-round residents for 11.5 FTE (vs 14 median FTE benchmark for less than 20,000 communities), or whether one estimates a 125,000-equivalent community in

the summer peak months for a 35,000 average equivalent population year-round with 33 FTE (vs 34.2 benchmark for communities 20,000-50,000).

- The maintenance staffing level is in line with NRPA benchmarks (48% vs 46%). The programming staffing is higher (43% vs. 31%) when counting non-maintenance Golf, RV, and Marina staff as programming. Administrative staff is below the national benchmark (9% vs 16%). The Department has only 0.5 FTE on General Parks recreation services and has no capital development staff.
- Of these two staffing gaps compared to national benchmarks, one needs urgent resolution, the other one needs a prior strategic determination: (a) The Parks Department needs to add 1 to 2 capital development staff to meet the deferred maintenance needs and to potentially deliver on the vision proposed in this PROS Plan (b) if the decision is made to increase the recreation programming offered, the Parks Department would require to hire one full-time recreation coordinator.
- The cost per full time employee is slightly below the national benchmarks (\$99k vs \$101k), even though Chelan has a relatively high cost of living.
- As revenue grew from \$2.9M in 2019 to \$4m in 2023, labor content as measured by labor cost as percentage of revenue has remained stable around 50%.

Figure 6-18 Photo of the 2020 seasonal crew in the vintage Parks Maintenance Shop – photo courtesy of Mark Johnson.



6.3 Financial Assessment

6.3.1. Parks and Recreation operations

2023

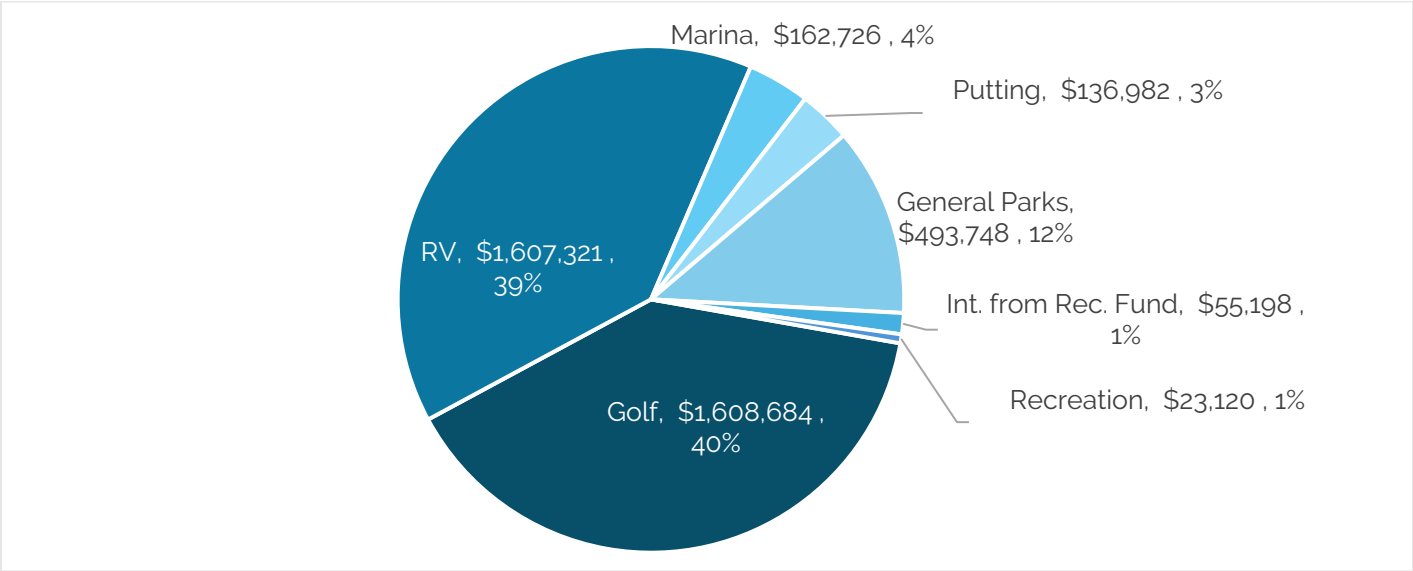
2023 Revenue

Direct Revenues

The Department focuses on two related yet separate models of business services: traditional parks and recreation services and business-based leisure services.

More than 80% of the Parks & Recreation revenue of \$4,087M in 2023 comes from business-based leisure enterprises that have to remain competitive in the market relative to alternatives available and provide excellent experiences to increase customer satisfaction and repeat patronage.

Figure 6-19 Parks & Rec. 2023 Revenue from Operations



The traditional recreation services offering of youth and sports activities is minimally developed in Chelan and generates 1% of the revenue, while the traditional parks services revenue is driven mostly by parking-related revenues (75%), and enterprise concessions operated in the parks by private-contracted parties (25%)

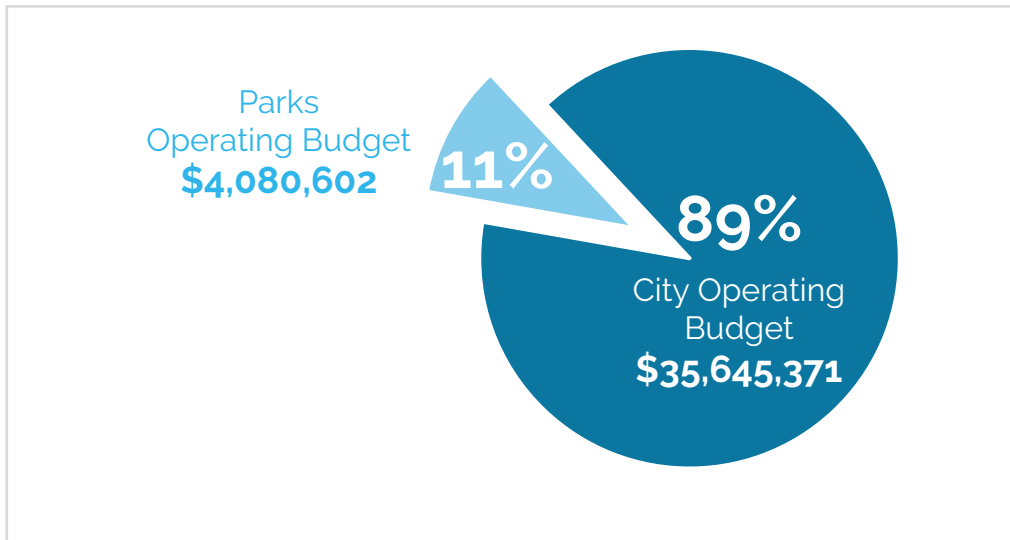
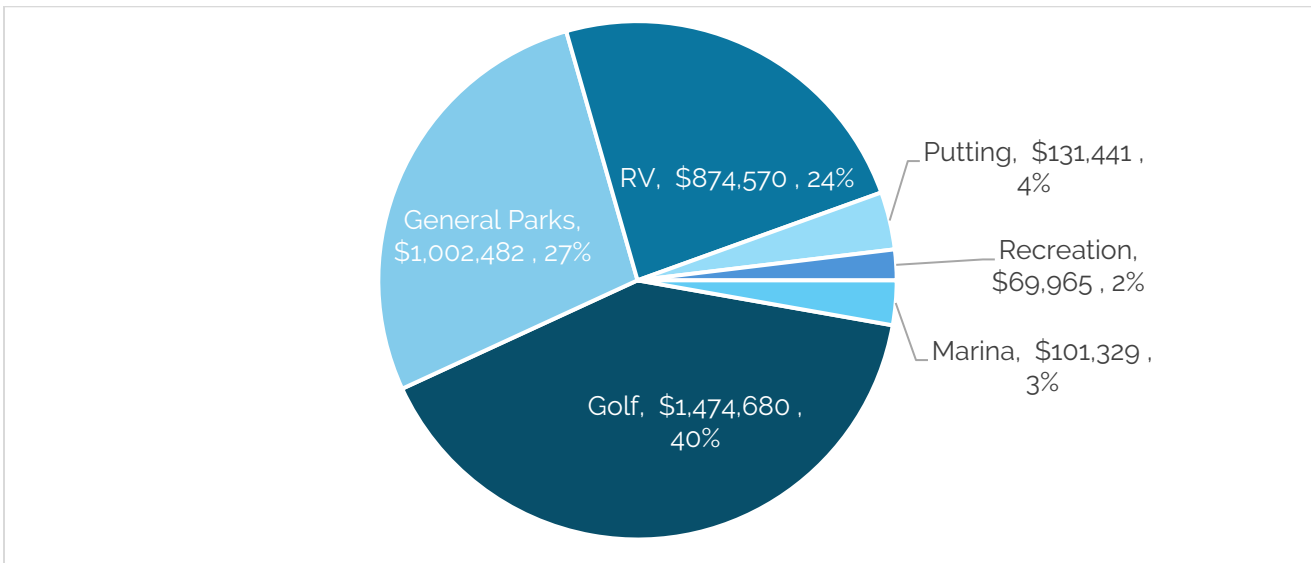
In a full recovery model these revenue mixes weigh heavily on the sustainability of Chelan's Parks & Recreation, and hence are a strategic focus and priority.

Indirect Revenues

The RV Park generates lodging taxes, the marina leasehold taxes, and all operations sales tax, as well. The golf course alone generates over \$145,000 in sales tax revenues.

2023 Expenses

The City of Chelan's parks operating budget makes up approximately 11% of the City's overall budget, as seen in Figure 6-16

Figure 6-20 City of Chelan 2023 Budget (Fiscal)**Figure 6-21 Parks & Rec. 2023 Expenses from Operations**

2023 expenses are in similar proportions to revenue mix, except for General Parks that are over-indexed in the expenses compared to revenue (27% vs. 12%) while RV is under-indexed in the expenses (24% vs. 40% of revenue).

Given the high labor content of the Department's costs, we should expect overall costs to increase as revenues do.

Table 6-12 Parks & Rec. 2023 Labor Content of Expenses from Operations

Department	Labor Expenses	Total Expenses	Labor Content *
Golf	\$ 722,511	\$ 1,474,680	49%
General Parks	\$ 652,144	\$ 1,002,482	65%
RV	\$ 433,158	\$ 874,570	50%
Putting	\$ 104,466	\$ 131,441	79%
Recreation	\$ 48,033	\$ 69,965	69%
Marina	\$ 73,345	\$ 101,329	72%
TOTAL	\$ 2,033,656	\$ 3,654,468	56%

* Labor costs include all wages, over-time and benefits from full-time employees and seasonal workers: Regular Wages-FTE ('11-00), Overtime Wages-FTE ('12-00), Regular Wages-PT ('13-00), Overtime Wages-PT ('14-00), Benefits-FTE ('21-00), Benefits-PT ('22-00), Unemployment ('23-00), Lesson Wages ('15-00), Lesson Benefits ('21-01)

2023 Operating Income

Table 6-13 2023 Parks & Rec. Operating Income

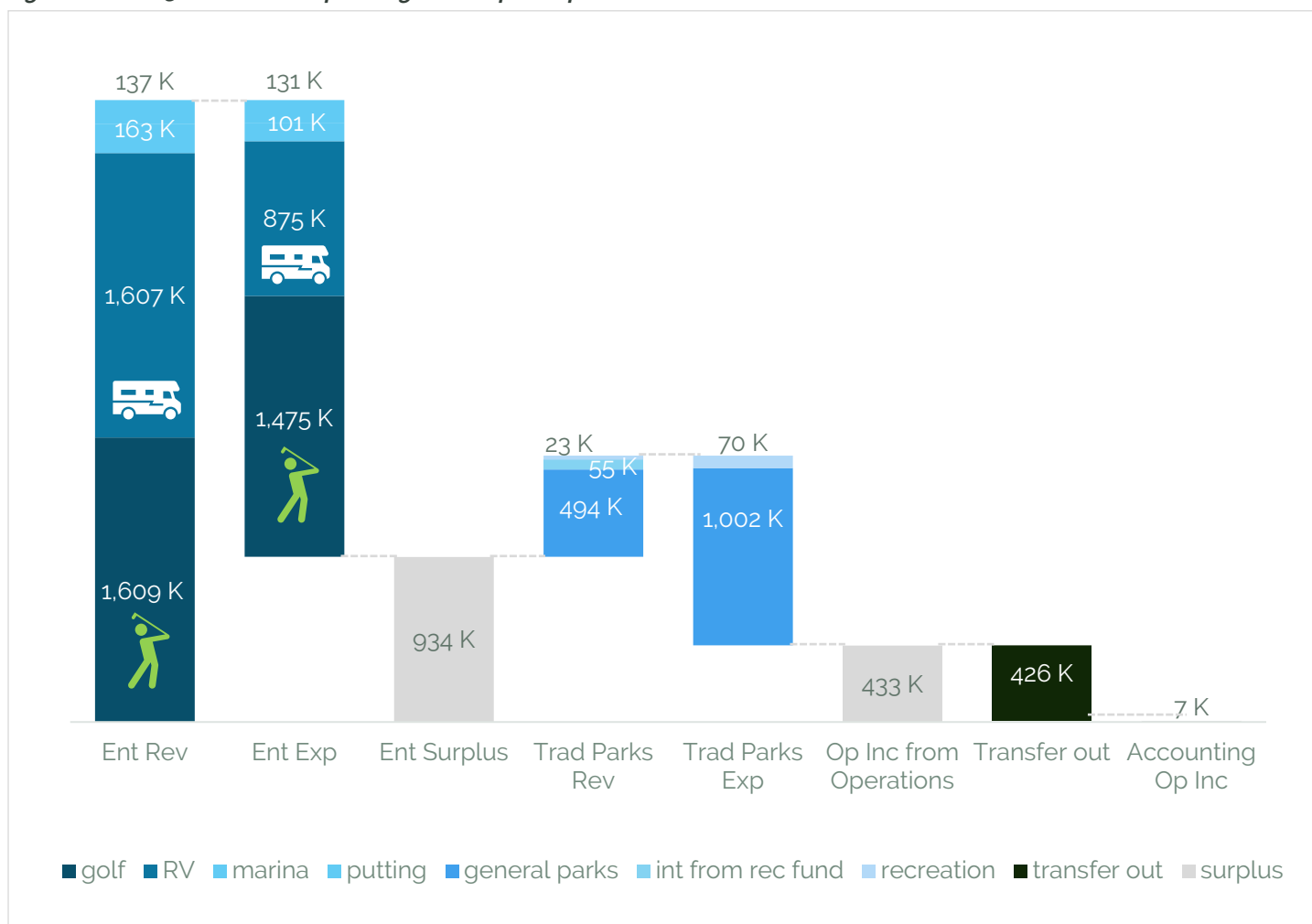
Department	Revenue	Expenses	Op. Income	Recovery rate
Enterprise Parks	\$ 3,515,713	\$ 2,582,021	\$ 933,692	136%
Golf	\$ 1,608,684	\$ 1,474,680	\$ 134,004	109%
RV	\$ 1,607,321	\$ 874,570	\$ 732,750	184%
Marina	\$ 162,726	\$ 101,329	\$ 61,397	161%
Putting	\$ 136,982	\$ 131,441	\$ 5,541	104%
Traditional Parks & Rec.	\$ 572,066	\$ 1,072,447	\$ (500,382)	53%
General Parks	\$ 493,748	\$ 1,002,482	\$ (508,734)	49%
Int. from Rec. Fund	\$ 55,198			
Recreation	\$ 23,120	\$ 69,965	\$ (46,846)	33%
Sub-total	\$ 4,087,779	\$ 3,654,468	\$ 433,311	112%
Transfer out to #310 Parks Cap Improv		\$ 426,134		
TOTAL	\$ 4,087,779	\$ 4,080,602	\$ 7,177	100.2%

As anticipated, the Enterprise Parks operate in aggregate at a robust 136% recovery rate. The RV Park has the highest recovery rate with 184% generating \$732k surplus to fund the rest of the Parks operations (in 2023 the Department decided to implement a RV Park rates increase to keep up with inflation and align with market prices). The Marina operates at a 169% recovery rate on a lower revenue base generating \$61k surplus.

Conversely, the traditional parks and recreation activities operate at a \$500k loss in 2023, being cross-subsidized by Enterprises as designed in a recovery model. NRPA though has traditional Parks operating at only 25% cost recovery though, half the level of our General Parks, that have parking and concessions revenue streams.

It follows that in 2023, the Department generated a \$433k profit from Operations (112% recovery rate) before an accounting transfer out of \$426k to refill the reserves from the Parks Capital Improvement fund, which brings the Department to breaking even in 2023. As such, the Department's recovery model is on steroids covering not only its operations but also portion of capital improvements. This accounting view partly distorts the assessment of the Parks' operations performance as enterprises.

*A nearly full cost recovery park system is an anomaly around the state and around the nation with parks departments typically relying on general tax revenues to support operations.
The national average is about 74% subsidy.*

Figure 6-22 2023 Parks & Rec Operating Income from Operations

2019-2023 Financial Trend

Now that we've established a foundation in the financial model of the Parks and Recreation department, let's delve into the trends of the past five years. This period has been notably shaped by the unprecedented challenges of the 2020 COVID pandemic, followed by a period of robust recovery and growth.

2019-2023 Revenue Trend

As seen in Table 6-10 Parks & Recreation represents 18-20% of Chelan's revenue from operations, setting aside starting balances of operating funds.

Table 6-14 2019-2023 Parks and Recreation Revenues

	2019	%	2020	%	2021	%	2022	%	2023	%
Golf	\$1,104,062	38%	\$1,130,926	45%	\$1,461,970	41%	\$1,479,455	40%	\$1,608,684	39%
RV	\$1,058,796	36%	\$789,151	31%	\$1,221,480	34%	\$1,389,499	37%	\$1,607,321	39%
General Parks	\$359,042	12%	\$380,696	15%	\$528,773	15%	\$477,814	13%	\$444,469	11%
Marina	\$168,456	6%	\$202,318	8%	\$226,578	6%	\$196,532	5%	\$212,006	5%
Putting	\$153,747	5%	\$17,910	1%	\$125,520	4%	\$143,889	4%	\$136,982	3%
Recreation	\$24,714	1%	\$6,617	0%	\$1,067	0%	\$22,506	1%	\$55,198	1%
Recreation	\$34,920	1%	\$9,880	0%	\$12,424	0%	\$23,682	1%	\$23,120	1%
Total	\$2,903,737	100%	\$2,537,498	100%	\$3,577,813	100%	\$3,733,377	100%	\$4,087,779	100%

Table 6-15 2019-2023 Revenues and Resources by Operating Fund

Operating Funds	2019		2020		2021		2022		2023		
	Ops. Rev.	%	Ops. Rev.	%	Ops. Rev.	%	Ops. Rev.	%	Ops. Rev.	%	
001 - Current Exp	Revenues	\$4,518,866	29%	\$4,802,476	29%	\$6,133,798	32%	\$6,823,564	32%	\$6,175,894	28%
	Balance					\$2,764,309		\$4,678,478		\$5,829,617	
	Resources	\$4,518,866	22%	\$4,802,476	22%	\$8,898,106	31%	\$11,502,042	34%	\$12,005,511	31%
110 - Parks & Rec	Revenues	\$2,903,737	18%	\$2,537,498	15%	\$3,577,813	18%	\$3,733,377	17%	\$4,087,779	19%
	Balance	\$1,142,694		\$1,401,136		\$1,086,648		\$1,626,247		\$1,807,221	
	Resources	\$4,046,431	20%	\$3,938,633	18%	\$4,664,461	16%	\$5,359,625	16%	\$5,895,000	15%
401 - Water Ops	Revenues	\$2,404,255	15%	\$2,747,561	17%	\$3,086,308	16%	\$3,439,369	16%	\$3,816,320	18%
	Balance	\$551,160		\$935,744		\$1,105,080		\$1,589,787		\$2,981,027	
	Resources	\$2,955,415	14%	\$3,683,305	17%	\$4,191,388	15%	\$5,029,156	15%	\$6,797,347	17%
400 - Sewer Ops	Revenues	\$2,533,122	16%	\$2,792,029	17%	\$2,896,922	15%	\$3,177,559	15%	\$3,331,272	15%
	Balance	\$733,304		\$1,362,598		\$1,768,369		\$1,669,000		\$3,228,130	
	Resources	\$3,266,426	16%	\$4,154,628	19%	\$4,665,291	16%	\$4,846,558	14%	\$6,559,402	17%
403 - Sanitation	Revenues	\$1,554,607	10%	\$1,674,307	10%	\$1,870,048	10%	\$2,113,128	10%	\$2,001,835	9%
	Balance	\$201,161		\$281,253		\$461,625		\$788,124		\$935,495	
	Resources	\$1,755,768	9%	\$1,955,560	9%	\$2,331,674	8%	\$2,901,252	8%	\$2,937,330	8%
101 - Street Ops	Revenues	\$1,271,657	8%	\$1,320,398	8%	\$1,357,642	7%	\$1,394,274	6%	\$1,457,583	7%
	Balance	\$619,176		\$688,204		\$643,822		\$969,196		\$573,310	
	Resources	\$1,890,833	9%	\$2,008,602	9%	\$2,001,464	7%	\$2,363,471	7%	\$2,030,894	5%
502 - Equipment	Revenues	\$598,310	4%	\$518,467	3%	\$539,769	3%	\$783,335	4%	\$884,205	4%
	Balance	\$1,393,675		\$1,061,588		\$1,142,332		\$1,436,500		\$1,930,729	
	Resources	\$1,991,985	10%	\$1,580,056	7%	\$1,682,101	6%	\$2,219,835	6%	\$2,814,934	7%
Grand Total	Revenues	\$15,784,553	100%	\$16,392,737	100%	\$19,462,301	100%	\$21,464,606	100%	\$21,754,887	100%
	Balance	\$4,641,170		\$5,730,523		\$8,972,184		\$12,757,332		\$17,285,530	
	Resources	\$20,425,723	100%	\$22,123,260	100%	\$28,434,485	100%	\$34,221,938	100%	\$39,040,417	100%

As seen in table 6-9, Parks and Recreation reporting is complicated... because Parks and Recreation is actually seven revenue streams cobbled together. Each of these businesses have their drivers, but all drivers correlate with visitors, and customers, not with residents.

- 1- RV
- 2- Golf
- 3- Marina
- 4- Putting
- 5- Recreation
- 6- Parking (Marina and General Parks Don Morse and Lakeside)

Table 6-16 2019-2023 Parks and Recreation Parking Revenues

2019	2020	2021	2022	2023
\$337,163	\$381,894	\$520,887	\$451,748	\$418,711

- 7- Concessions – Parks and Recreation manages a total of 6 concessions across the Parks

Table 6-17 2019-2023 Parks and Recreation Concessions Revenues

2019	2020	2021	2022	2023
\$92,156	\$93,313	\$108,670	\$116,028	\$121,576

Figure 6-23 2023 Parks and Recreation Concessions

Park	Food	Recreation	Total Number
Don Morse	1 Lakeview Outpost	2 LakeRider Sports Rally Alley	3
Marina	1 Lakeview Drive Inn	1 Shoreline Watercraft	2
Golf	1 the Albatross		1
Total Number	3	3	6

Tax monies fund mostly Parks and Recreation Capital Investment, but a small portion of the Lodging Tax goes to the Parks and Recreation Operations.

Table 6-18 2019-2023 Parks and Recreation Operations Tax Funding

	2019	2020	2021	2022	2023
Golf - lodging tax	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
General Parks - lodging tax	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Operations Tax Funding	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Operations Tax Funding as % of Revenue	2.75%	3.15%	2.23%	2.14	1.95%
Total Revenue from Operations	\$2,903,737	\$2,537,498	\$3,577,813	\$3,733,377	\$4,087,779

Lastly, table 6-14 shows a fairly consistent revenue mix, indicating that as the aggregate Parks and Recreation revenue is growing over the years, so are the individual businesses building it up.

Table 6-14 footnotes

⁴ Includes \$10,000 deposit as new concessionaire moved in

⁵ Accounting granularity introduced in 2023, includes RV Park Sites (\$342,730), RV Park Prime Sites (\$75,367), RV Park Showers (\$4,516), RV Park Extra People (\$1,910), RV Park Tent Only (\$201)

Table 6-19 Parks and Recreation 2019-2023 Detailed Revenue

	2019	%	2020	%	2021	%	2022	%	2023	%
RV	\$1,058,796	36%	\$789,151	31%	\$1,221,480	34%	\$1,389,499	37%	\$1,607,321	39%
Fees	\$1,050,984	99%	\$780,686	99%	\$1,216,545	100%	\$1,380,511	99%	\$1,183,624	74%
Sites ⁽⁵⁾	\$4,586	0%	\$0	0%	\$3,311	0%	\$4,912	0%	\$424,727	26%
Other	\$3,226	0%	\$8,464	1%	\$1,624	0%	\$4,075	0%	-\$1,031	0%
Golf	\$1,104,062	38%	\$1,130,926	45%	\$1,461,970	41%	\$1,479,455	40%	\$1,608,684	39%
Fees	\$523,555	47%	\$574,235	51%	\$716,977	49%	\$708,848	48%	\$805,143	50%
Rental	\$253,655	23%	\$257,920	23%	\$347,588	24%	\$347,915	24%	\$359,196	22%
Passes	\$140,911	13%	\$131,896	12%	\$193,131	13%	\$209,216	14%	\$214,588	13%
Pro Shop Sales	\$100,017	9%	\$84,100	7%	\$117,299	8%	\$131,755	9%	\$133,312	8%
Transfer In (Lodging Tax)	\$60,000	5%	\$60,000	5%	\$60,000	4%	\$60,000	4%	\$60,000	4%
Concessions	\$6,344	1%	\$6,653	1%	\$6,482	0%	\$9,449	1%	\$25,852 ⁽⁴⁾	2%
Reservation		0%		0%	-\$241	0%	\$1,654	0%	\$4,333	0%
Lesson	\$2,550	0%	\$300	0%	\$1,845	0%	\$1,755	0%	\$4,275	0%
Other	\$17,031	2%	\$15,823	1%	\$18,888	1%	\$8,863	1%	\$1,985	0%
General Parks	\$359,042	12%	\$380,696	15%	\$528,773	15%	\$477,814	13%	\$444,469	11%
Parking	\$300,910	84%	\$322,982	85%	\$452,292	86%	\$394,384	83%	\$363,252	82%
Concessions	\$36,532	10%	\$37,380	10%	\$52,907	10%	\$57,299	12%	\$46,444	10%
Transfer In (Lodging Tax)	\$20,000	6%	\$20,000	5%	\$20,000	4%	\$20,000	4%	\$20,000	4%
Grants	\$141	0%		0%		0%	\$500	0%	\$10,292	2%
Rentals	\$959	0%	\$74	0%	\$2,290	0%	\$443	0%	\$3,599	1%
Other	\$501	0%	\$260	0%	\$1,284	0%	\$5,188	1%	\$881	0%
Marina	\$168,456	6%	\$202,318	8%	\$226,578	6%	\$196,532	5%	\$212,006	5%
Fees	\$55,803	33%	\$70,306	35%	\$83,359	37%	\$69,859	36%	\$69,628	33%
Parking	\$36,253	22%	\$58,911	29%	\$68,595	30%	\$57,364	29%	\$55,459	26%
Concession	\$49,280	29%	\$49,280	24%	\$49,280	22%	\$49,280	25%	\$49,280	23%
Moorage Passes	\$26,985	16%	\$23,724	12%	\$25,288	11%	\$20,017	10%	\$37,578	17%
Other	\$135	0%	\$96	0%	\$56	0%	\$12	0%	\$61	0%
Putting	\$153,747	5%	\$17,910	1%	\$125,520	4%	\$143,889	4%	\$136,982	3%
Fees	\$153,769	100%	\$17,910	100%	\$125,563	100%	\$143,863	100%	\$136,932	100%
Other	-\$22	0%		0%	-\$43	0%	\$26	0%	\$50	0%
Recreation	\$34,920	1%	\$9,880	0%	\$12,424	0%	\$23,682	1%	\$23,120	1%
Vending Machine	\$11,873	34%	\$6,948	70%	\$11,558	93%	\$12,632	53%	\$13,918	60%
Fees	\$11,945	34%	\$70	1%	\$866	7%	\$6,948	29%	\$5,911	26%
Other	\$11,102	32%	\$2,863	29%	\$0	0%	\$4,102	17%	\$3,291	14%
Recreation Fund	\$24,714	1%	\$6,617	0%	\$1,067	0%	\$22,506	1%	\$55,198	1%
Interests	\$24,714	100%	\$6,617	100%	\$1,067	100%	\$22,506	100%	\$55,198	100%
Total Revenues	\$2,903,737	100%	\$2,537,498	100%	\$3,577,813	100%	\$3,733,377	100%	\$4,087,779	100%
Beginning fund balance	\$1,142,694	39%	\$1,401,136	55%	\$1,086,648	30%	\$1,626,247	44%	\$1,807,221	44%
Total Resources	\$4,046,431		\$3,938,633		\$4,664,461		\$5,359,625		\$5,895,000	

2019-2023 Operating Income Trend

Outside of 2020 Covid anomaly year, though, the Department has experienced a robust growth over the past five years. The two locomotives of Golf and RV have each nearly doubled their revenue over the past 5 years. Overall revenue has grown 41% from \$2.9m to \$4.1m, expenses grew slower (+34% from \$2.7m to \$3.6m), this growing the operating income from operations by 135% over the period from \$184k in 2019 to \$433k in 2023. Outside of COVID 2020, the recovery rate in aggregate remains fairly constant around 110-115%.

In the table below, 2021 year over year performance is evaluated versus 2019, skipping 2020, which was an abnormal year with the Covid pandemic and closure of some the Enterprise parks for a duration. Since 2021 saw a strong rebound of the Enterprise parks businesses, the main major trace of Covid is the fact that the Recreation Reserve got depleted. Reserves are since getting refilled by the surpluses from Operations (\$155k in 2022, \$426k in 2023).

General Parks expenses increase outpace the revenue increase. This is driven both by capital projects that end up using Parks Labor (2023 Facility Building), and sometimes by heavy unpredicted maintenance operations (2023 rusty beams removal in boat launch area and two pump replacements totaling \$75K).

Table 6-20 2019-2023 Parks & Rec. Rev., Expenses & Operating Income

	Rev	YoY %	Exp	YoY %	Op. Income	YoY %	Recovery
RV (2019-2023)		+52%		+41%		+68%	
2019	\$1,058,796		\$621,583		\$437,213		170%
2020	\$789,151	-25%	\$658,993	+6%	\$130,158	-70%	120%
2021	\$1,221,480	+15%	\$696,293	+12%	\$525,188	+20%	175%
2022	\$1,389,499	+14%	\$792,165	+14%	\$597,334	+14%	175%
2023	\$1,607,321	+16%	\$874,570	+10%	\$732,750	+23%	184%
Golf (2019-2023)		+46%		+29%		+452%	
2019	\$1,104,062		\$1,142,157		(\$38,096)		97%
2020	\$1,130,926	+2%	\$1,136,578	-0%	(\$5,652)	-85%	100%
2021	\$1,461,970	+32%	\$1,204,782	+5%	\$257,188	-775%	121%
2022	\$1,479,455	+1%	\$1,366,651	+13%	\$112,804	-56%	108%
2023	\$1,608,684	+9%	\$1,474,680	+8%	\$134,004	+19%	109%
Marina (2019-2023)		+37%		+8%		+142%	
2019	\$119,176		\$93,853		\$25,323		127%
2020	\$153,038	+28%	\$69,235	-26%	\$83,803	+231%	221%
2021	\$177,299	+49%	\$85,114	-9%	\$92,185	+264%	208%
2022	\$147,252	-17%	\$69,840	-18%	\$77,412	-16%	211%
2023	\$162,726	+11%	\$101,329	+45%	\$61,397	-21%	161%
Putting		+11%		+43%		+91%	
2019	\$153,747		\$92,158		\$61,589		167%
2020	\$17,910	-88%	\$62,724	-32%	(\$44,815)	-173%	29%
2021	\$125,520	-18%	\$107,779	+17%	\$17,742	-71%	116%
2022	\$143,889	+15%	\$131,859	+22%	\$12,030	-32%	109%
2023	\$136,982	-5%	\$131,441	-0%	\$5,541	-54%	104%

	Rev	YoY %	Exp	YoY %	Op. Income	YoY %	Recovery
General Parks (2019-2023)		+21%		+41%			
2019	\$408,322		\$709,008		(\$300,686)		58%
2020	\$429,976	+5%	\$829,321	+17%	(\$399,345)	+33%	52%
2021	\$578,053	+42%	\$888,988	+25%	(\$310,935)	+3%	65%
2022	\$527,094	-9%	\$978,481	+10%	(\$451,387)	+45%	54%
2023	\$493,748	-6%	\$1,002,482	+2%	(\$508,734)	+13%	49%
Recreation (2019-2023)		+34%		+15%			+81%
2019	\$34,920		\$60,743		(\$25,823)		57%
2020	\$9,880	-72%	\$45,134	-26%	(\$35,254)	+37%	22%
2021	\$12,424	-64%	\$55,259	-9%	(\$42,835)	+66%	22%
2022	\$23,682	+91%	\$58,407	+6%	(\$34,725)	-19%	41%
2023	\$23,120	-2%	\$69,965	+20%	(\$46,846)	+35%	33%
Miscellaneous (Int from Rec Fund)							
2019	\$24,714						
2020	\$6,617	-73%					
2021	\$1,067	-96%					
2022	\$22,506	+2010%					
2023	\$55,198	+145%					
Op Income (2019-2023)		+41%		+34%		+135%	
2019	\$2,903,737		\$2,719,502		\$184,235		107%
2020	\$2,537,498	-13%	\$2,801,986	+3%	(\$264,488)	-244%	91%
2021	\$3,577,813	+23%	\$3,038,213	+12%	\$539,600	+193%	118%
2022	\$3,733,377	+4%	\$3,397,403	+12%	\$335,974	-38%	110%
2023	\$4,087,779	+9%	\$3,654,468	+8%	\$433,311	+29%	112%
Transfers out to Cap Improv							
2019							
2020			\$50,000				
2021							
2022			\$155,000				
2023			\$426,134				
Total - Accounting Op Income							
2019	\$2,903,737		\$2,719,502		\$184,235		107%
2020	\$2,537,498	-13%	\$2,851,986	+5%	(\$314,488)	-271%	89%
2021	\$3,577,813	+23%	\$3,038,213	+12%	\$539,600	+193%	118%
2022	\$3,733,377	+4%	\$3,552,403	+17%	\$180,974	-66%	105%
2023	\$4,087,779	+9%	\$4,080,602	+15%	\$7,177	-96%	100%

Table 6-21 15-year Operating Income – A story of improved performance

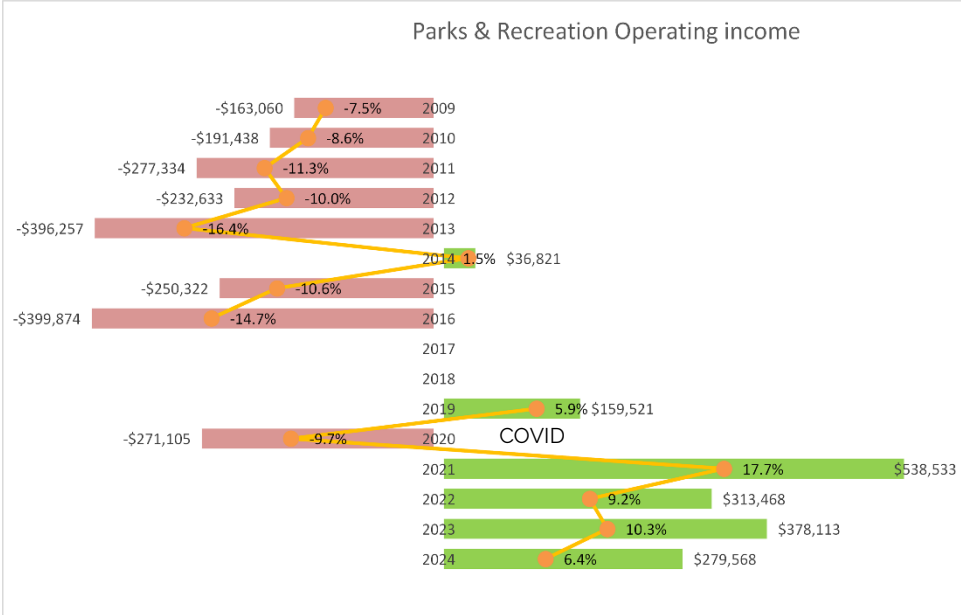
Method:

Revenue from operations excluding starting balances, expenses from operations excluding transfers out to other funds

Recovery rates are overlaid with a line chart

2009-2016 data from 2016 PROS Plan. 2017-2018 years missing from dataset.

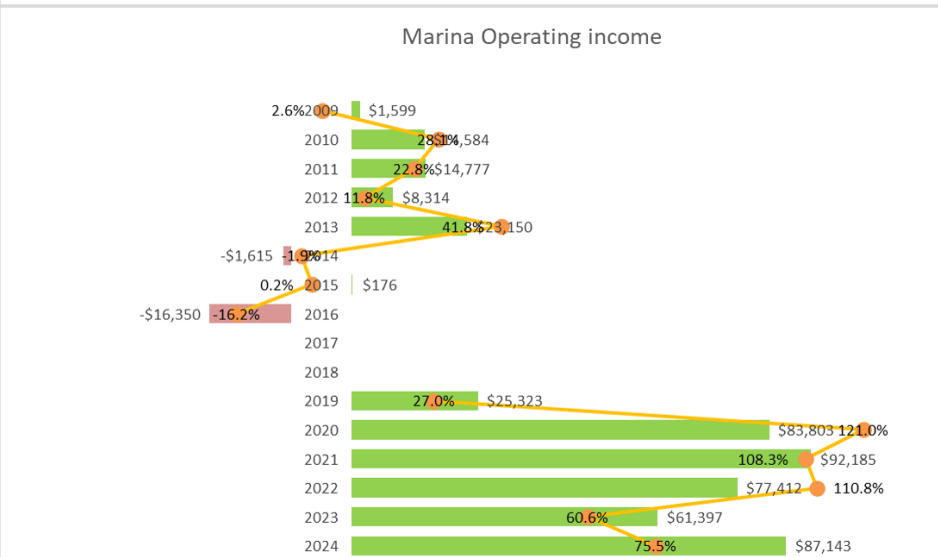
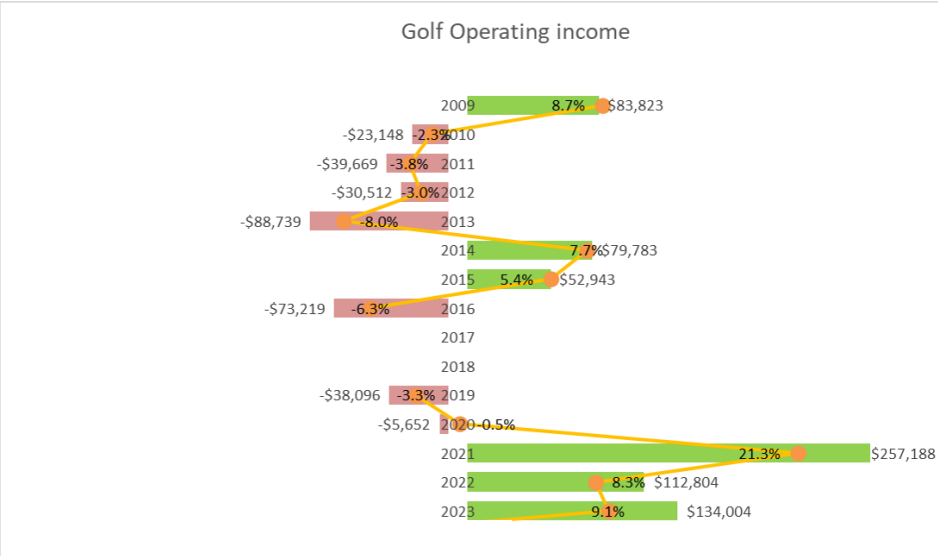
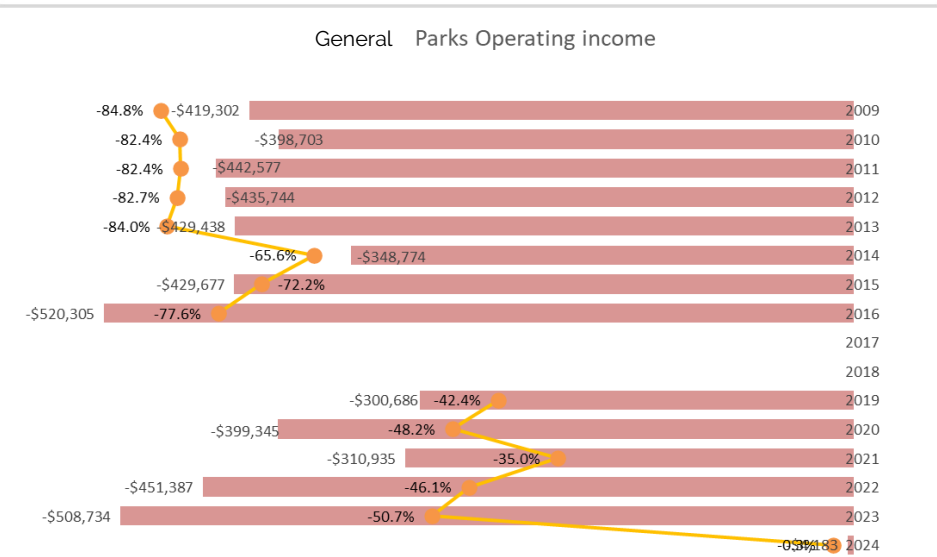
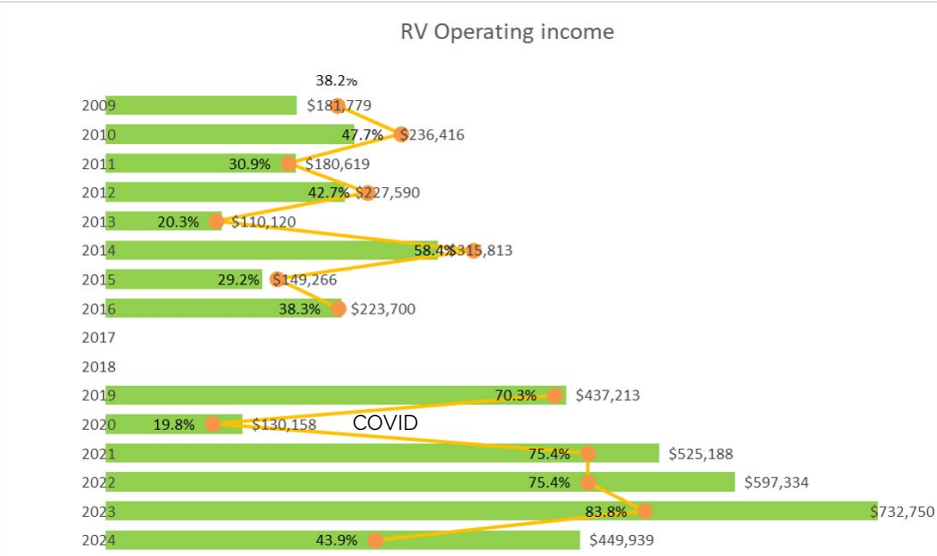
2016 and 2024 are budget numbers, while other years are actuals ("fiscal")



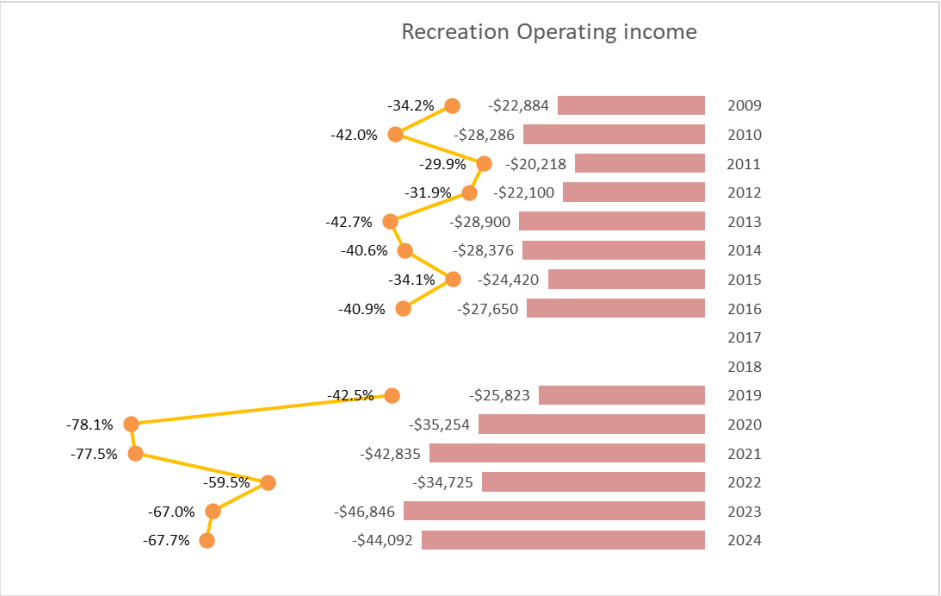
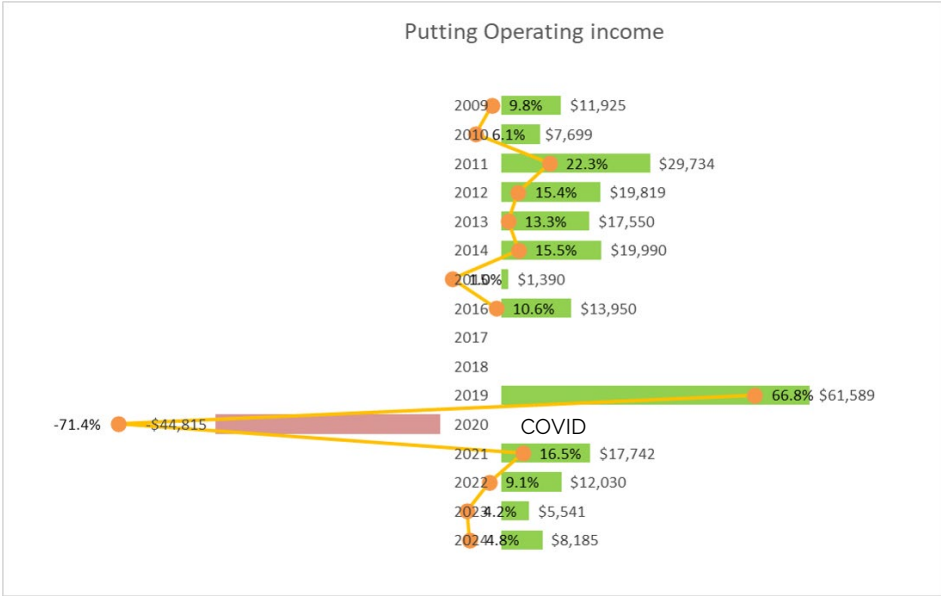
Insights:

Parks & Recreation overall

From consistently negative to consistently positive, except for COVID year. Recovery rate averaging 105-110%. A feat for any park system, however,



	nowhere close to being able to fund Capital Improvements (not even deferred Maintenance)
RV	The economic engine of the Parks system. ~70-80% recovery rate, at \$1.6M revenue.
Golf	Another story of reversal: as became another engine at ~110% recovery on a \$1.6M revenue base as well (2024 Budget challenges w/ seasonal est.)
General Parks	Similar Challenge on 2024 estimate. With Parking and Concessions revenue, operates at ~50% recovery, another feat given national average of traditional parks at ~25%. And a step change from before 2016.
Marina	Strong performance with 70%+ recovery on a smaller revenue base (~\$160k annual)
Putting	Consistent positive on small base (except Covid)
Recreation	Negative and small. COVID decimated the market.



The 2023 Golf Maintenance budget absorbed a major pump repair of around \$40,000 which was unanticipated. General Parks also absorbed an unanticipated \$35,000 pump repair at Lakeside Park. The 2023 operating budget absorbed lots of maintenance staff overtime associated with the construction of the Parks Maintenance Building.

Leveraging the data from the 2016 Parks, Recreation, Open Space, Plan (PROS), we can zoom further out on the health of the Parks and Recreation Operations over a longer period. Two insights stand out:

- The growth in size from the Parks and Recreation operations
- From red to green: where Parks except RV used to be mostly loss making and tax funded, as traditional parks, are across the nation – this is not the case anymore.

Between the size of the Department, and the change of fortunes, this is not your Parks and Recreation from old times. Hopefully the perceptions continue to evolve with this 2024 PROS Plan, laying out both the current extent of this Department's Operations, and the potential of the Parks system.

6.3.2. Parks Investments

We grounded ourselves in the Parks Operations and will now get a sense of the Parks capital investments. In this introductory section we will look at investments level, trend, projects (major and others), and sources of funding (operating fund, loans, city funds, lodging tax). We will discuss funding strategy against our project backlog in Chapter 6 – Implementation.

2019-2023 Major Projects

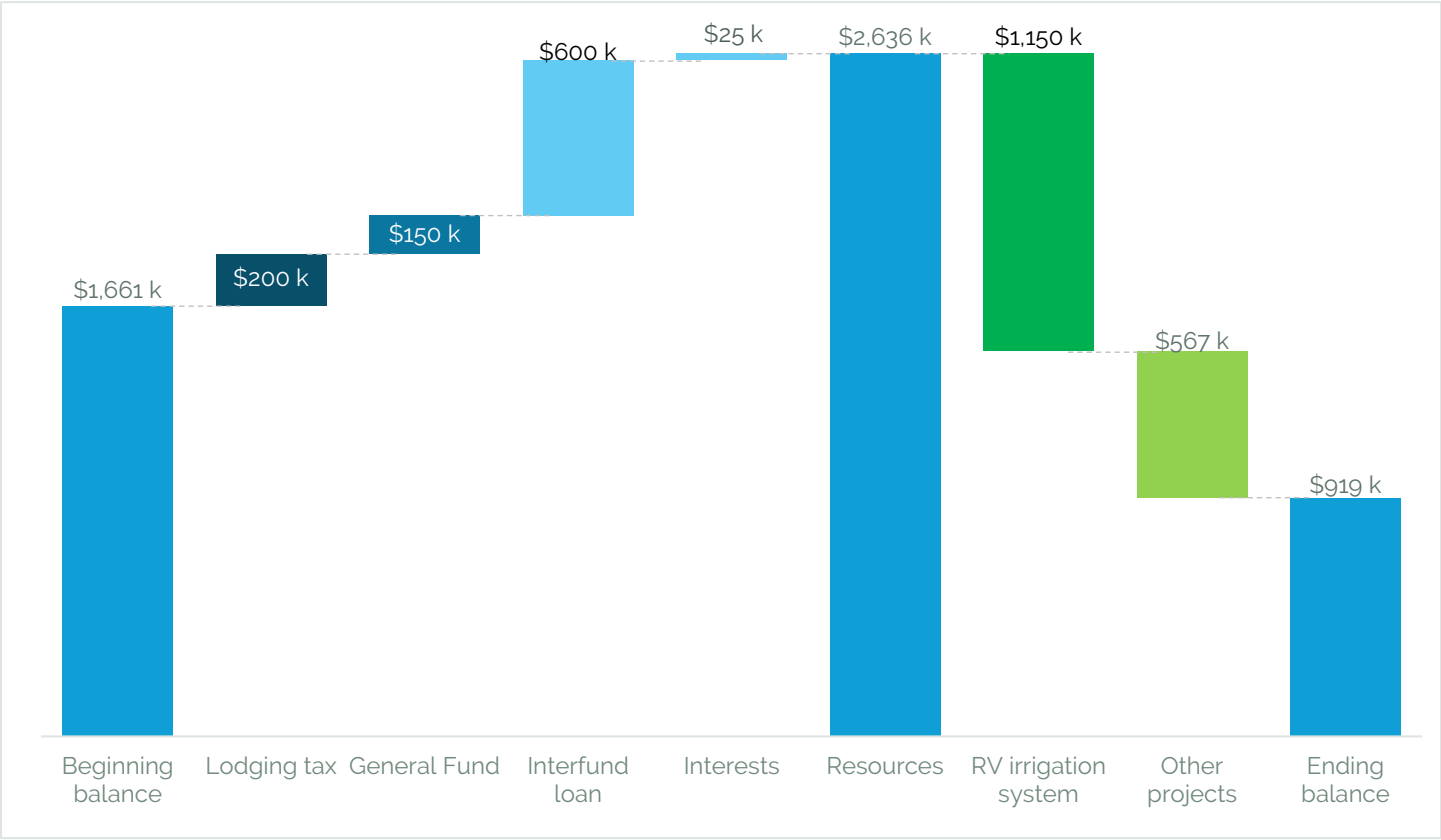
The Parks department has lead three larger projects over the past 5 years: the renovation of the RV parks irrigation system, the acquisition of a conservation land (aka Spader Bay), and the rebuild of a new maintenance building.

In 2019, also, the Parks department invested in the renovation of the RV Park irrigation system for \$1.15m. The main sources of funds were an interfund loan (502 Equipment fund), a general fund inflow (\$150k), a lodging tax allocation (\$200k) and the Recreation Capital fund reserve.

Figure 6-24 Photo of Spader Bay and what's currently the Lookout as orchard land – photo courtesy of Terry O'Neal

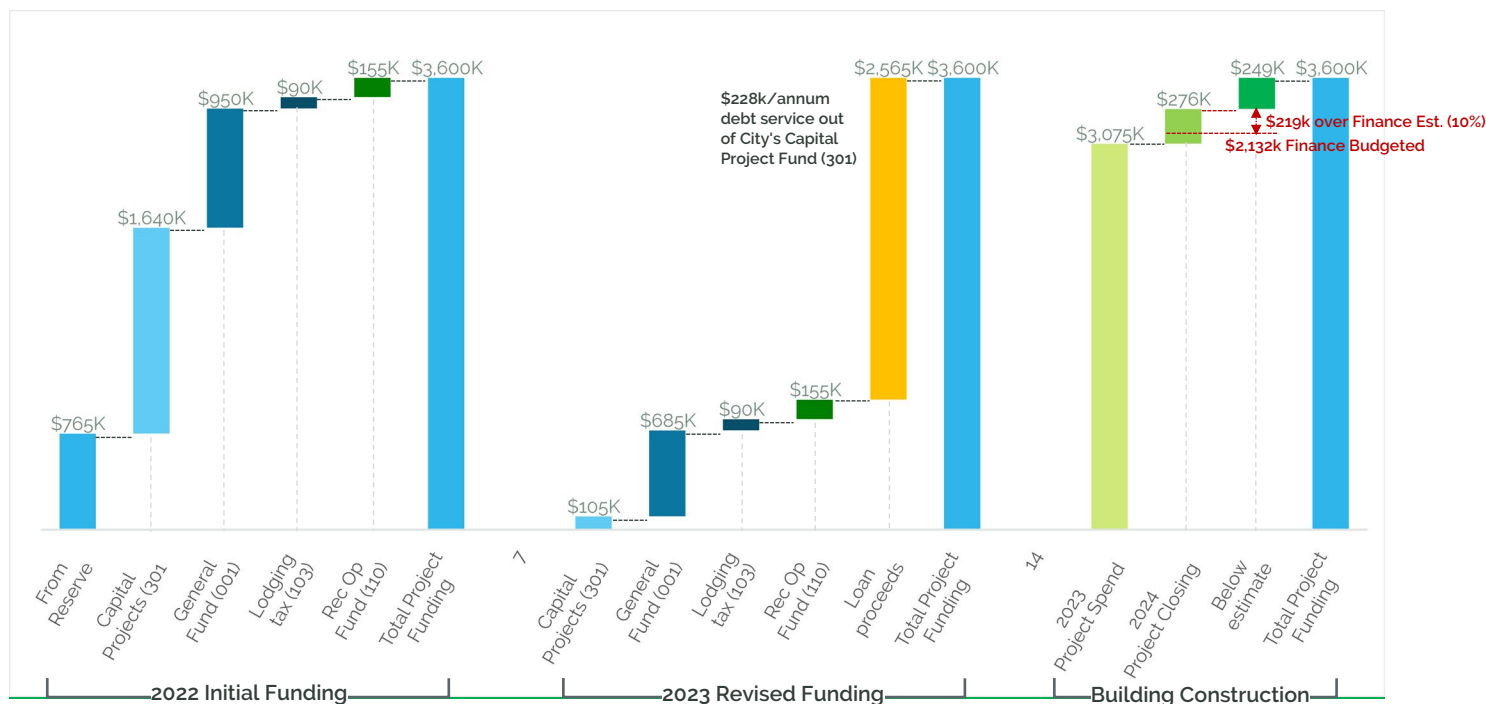


Figure 6-25 2019 Parks and Recreation Capital Fund with RV Irrigation System Project Funding



In 2020, the City of Chelan acquired the conservation land of Spader Bay for \$400k (the park will be further described in Chap 4 – Parks existing conditions). It was funded by a \$610k transfer from the City's general fund (001-Current Expenses). It has since been paid in annual installments of \$50k, or \$100k, with the last due in 2024.

The third major project was a rebuild of the maintenance building in 2023. Design West Architects' construction estimate for the project was \$3.6m. In 2022, the project funding was set up initially mainly from the City's Capital Project fund (301) for \$1,534m and from the City's General Fund (001) for 0.95m. However, in 2023, the City opted to review the financial structure of the project. The \$1,534m and \$167k additional were reverted from the Recreation Capital Fund to the Street Fund, in order to fund part of the waterline to the airport (\$8m+ project). Instead, the maintenance facility building for Parks and Recreation would be funded by debt for \$2.5m. In 2023, the debt was serviced for \$228k out of the City's Capital Project fund (301). Even though the construction project did not reserve any contingency, usually to the tune of 10-20% (\$360-720k), it is completed with \$3,075m spent in 2023, and \$276k left in 2024 (retainage). As such the project ends at \$3,351m, or 7% below the architect's estimate.

Figure 6-26 2023 Maintenance Building Project Funding

Other 2019-2023 Parks Capital Projects

Included below is a list of capital projects above \$10k completed between 2019-2023. It is a mix of various plans and studies, (Golf Course Irrigation System Design 2023, Skate Park Feasibility Study 2022, Golf Course Economic Impact Study 2021), design and permitting work (Lakeside 2023 and 2022), and basic parks maintenance: irrigation systems (Don Morse 2019, RV Park 2019 and 2020), asphalt preservation (RV Park 2023). Golf Club house (Golf Course 2023). The general state of our restrooms is a theme across our parks given their age and the number of visitors we have during high season (for more in Chap 4 – Parks Inventory). As a result, we invested in the rehabilitation of our restrooms in the RV Park (2019, 2020).

Table 6-22 2019-2023 Recreation Capital Projects above \$10k

Park	Project	Amount	% of yr investment
2023		\$182,473.80	100%
Lakeside	Lakeside Park 60% Design & Permitting from LWCF Grant Match	\$55,201.07	30%
Golf Course	Golf Club House Minisplit HVAC for Dining Room and Exterior Painting	\$45,359.75	25%
RV	RV Park Asphalt Preservation (crack seal, sealcoat, some repair)	\$43,617.54	24%
Downtown Restrooms	Downtown Restrooms at Old Chamber Building (security cameras, new lighting, plumbing repairs)	\$14,229.64	8%
Chelan Gorge	Master Plan (Public Power Benefit Grant)	\$13,890.80	8%
Golf Course	Irrigation Design	\$10,175.00	6%

Park	Project	Amount	% of yr investment
2022		\$102,022.58	100%
Lakeside	Lakeside Park 60% Design & Permitting from LWCF Grant Match	\$54,349.37	53%
System	Skate Park Feasibility Study	\$47,673.21	47%
2021		\$251,304.50	100%
Don Morse	Parks Maintenance Building & Public Restrooms	\$179,899.50	72%
System	PROS Plan Consulting	\$52,792.50	21%
Golf Course	Economic Impact Study	\$18,612.50	7%
2020		\$513,989.89	100%
RV	Restroom Rehab	\$353,398.31	69%
Spader Bay	Spader Bay Land Acquisition	\$68,626.50	13%
Lakeside	New Swim Line and Buoys	\$37,200.35	7%
RV	Irrigation System Changes	\$34,764.73	7%
Lakeside	Grant Support	\$20,000.00	4%
2019		\$1,529,731.55	100%
RV	Irrigation Changes	\$1,150,269.23	75%
RV	Bathroom Rehab	\$305,635.24	20%
Pingrey	Park Improvements	\$30,000.00	2%
Don Morse	Volleyball Court Development	\$26,270.76	2%
Don Morse	Irrigation System Improvements	\$17,556.32	1%

2019-2023 Parks Capital Level of Investment

Table 6-23 2019-2023 Parks Capital Fund

	2019	2020	2021	2022	2023
Starting Balance	\$1,661,747	\$918,675	\$1,148,169	\$803,387	\$5,773,416
Inflows	\$974,540	\$827,983	\$164,602	\$5,400,659	\$1,770,683
Outflows	\$1,717,612	\$598,490	\$509,384	\$430,630	\$5,181,220
Ending Balance	\$918,675	\$1,148,169	\$803,387	\$5,773,416	\$2,362,879

The two larger projects of RV Parks irrigation and maintenance building construction, raise the size of the fund (beginning balance and outflows) in 2019 and 2022 respectively. Spader Bay acquisition is paid by installments with less of a ballooning effect on the Fund. Outside of these larger projects, the fund has been spending ~\$500k/year on

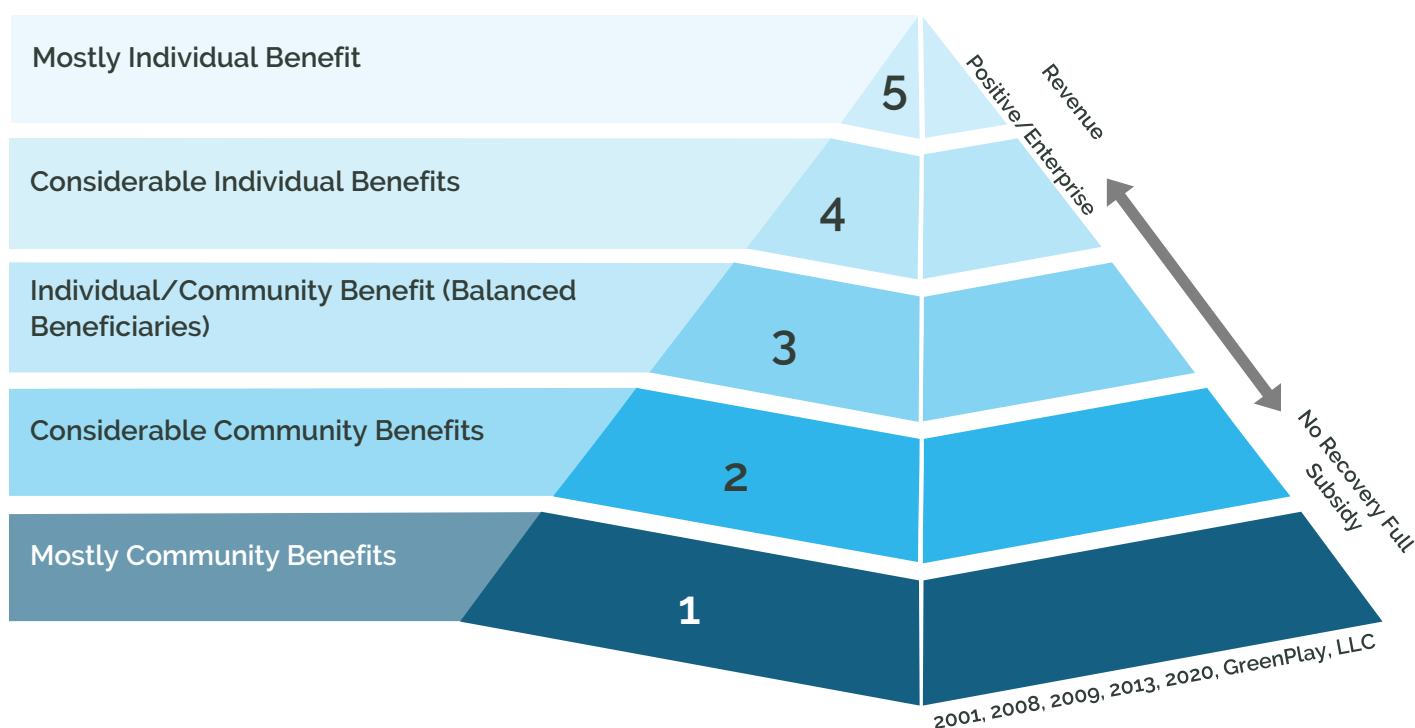
varied investments. The 2023 ending balance of \$2.4m remains significant for the fund without new major project planned for 2024 except the significant project at Lakeside Park. This mostly reflects a large amount of carryover funds (\$1.8m). This, in turn, reflects the Department's challenge to lead multiple projects simultaneously with the maintenance building construction in 2023, due mostly to shortage of project management staff.

2019-2023 Parks and Recreation Funding Sources

Parks and recreation facilities, programs, and services are essential to improving the lives of community members. However, not all facilities, programs, and services should receive the same level of subsidy. In general, the more a facility, program, or service provides a community benefit to its community members as a whole, the more that service should be paid for by a general fund allocation. The more a facility, program, or service provides individual benefits, the more that service should be paid for through user fees. A resource allocation and cost recovery philosophy can acknowledge the many known public benefits a healthy parks and recreation system provides to a community.

Such a philosophy is demonstrated using the "Pyramid Resource Allocation Methodology" shown in Figure 6-27. This methodology develops and implements a refined philosophy and policy based on current best practices as determined by the mission of the agency and categorical service benefits to the community and/or individual. A resource allocation and subsidy philosophy and policy will support the City's public facilities and promote cost effective services.

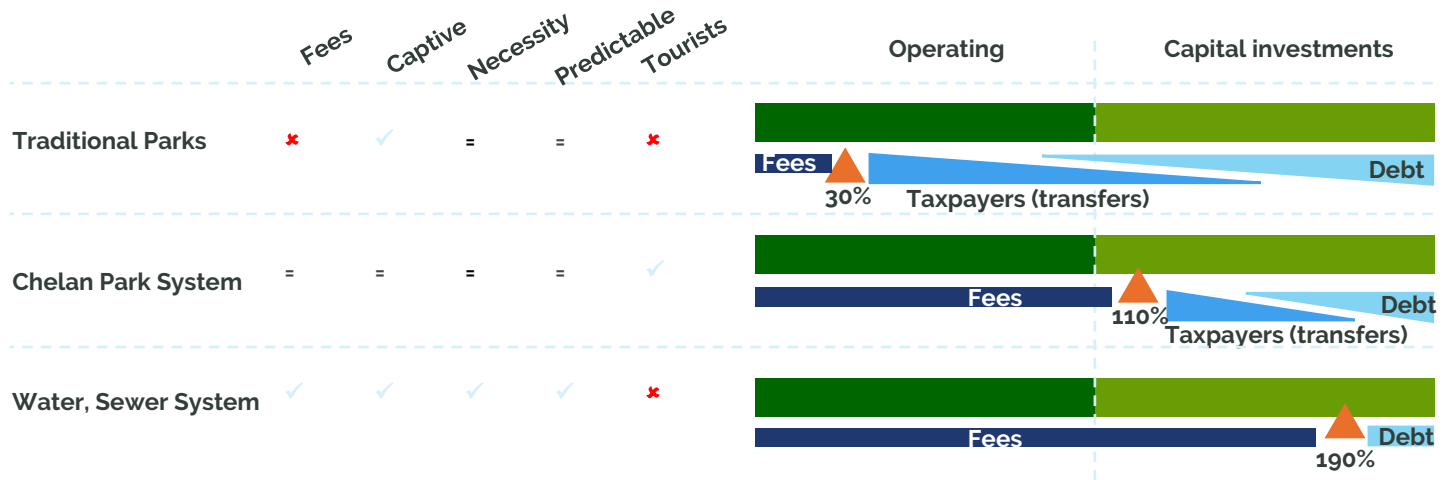
Figure 6-27 Pyramid Resource Allocation Methodology



The City of Chelan Financial Policies included in Appendix A of the annual Budget implement this philosophy through the Cost Recovery policy which reads:

"All taxpayers/utility customers should not pay for a service that benefits only certain individuals. Therefore, fees will be established where possible to recover the costs of such services or programs. Fees for services will be reviewed at least annually and adjusted as necessary. Based on Council direction, general taxpayer revenues may be used to subsidize all or a portion of the cost of services if it has been identified that those services address a vulnerable set of customers, including low income, senior, and disabled citizens, or is determined as being in the best interests of the city."

Sources of fund – Parks Operating Fund (110)



Traditional Parks usually draw revenues from recreation programming with common recovery rates around 30%. To cover operating expenses tax resources are tapped, for capital investments a mix of taxpayer and bonds are commonly leveraged, with bonds mostly for the largest projects.

Chelan being a choice destination receiving millions of visits per year, the Parks system is able to operate a municipal golf course and an RV Park. As a result, and as discussed in prior section, the Parks operate on a recovery model, with a recovery rate of ~110% supported by fees. While the Chelan RV Park and Golf Course businesses can cover the Chelan Parks system operations, it comes with its challenges: the visiting clientele is not captive as they can choose to patronage other destinations and Parks. This adds to the uncertainty already built in Parks activity given possible weather events.

The growth of the Golf and RV business have made it possible for the Parks Operating Fund (110) to transfer money to the Recreation Capital Fund in 2020, 2022, and 2023. No funds were transferred from Operating to Capital in 2021, year of COVID slow down.

Table 6-24 Parks and Recreation Capital Funding from Operations

Year	Transfer out from Rec. Operating to Rec Capital	Parks revenue	"Investment rate"
2020	\$50,000	\$2,537,498	2.0%
2022	\$155,000	\$3,733,377	4.2%
2023	\$426,134	\$4,087,779	10.4%%

Sources of fund – Lodging Tax

Under state law, the Hotel- Motel Lodging Tax is in two parts. The first is the basic 2% levy and is taken as a credit against the state sales tax of 6.5%. The second part of the Hotel – Motel Lodging tax in Chelan is 3% and is in addition to the prevailing sales tax rate. In 2023, the City of Chelan collected \$1.6M in lodging taxes. By law, the lodging tax is distributed to activities promoting tourism and to operations and capital expenditures of tourism related facilities owned or operated by a municipality or non-profit organizations.

The Chelan Chamber of Commerce is the execution arm for tourism promotion. Among other things, the Chamber of Commerce operates the <https://www.lakechelan.com/> website as well as events throughout the year and web marketing campaigns. These past 3 years, the Chamber of Commerce receives ~\$700k from Lodging Tax money for these services.

The parks department gets the other large portion of the Lodging Tax mostly for funding capital investment projects and debt service on past capital investment projects, thus recognizing that the Chelan Parks are highly related to tourism visits. In 2023, to support the Recreation Capital Fund projects beyond the Maintenance Building construction projects, the lodging tax going to Parks increased to \$821k. Outside of 2023, though, lodging tax to

Parks has usually been around \$350-400k, of which nearly \$200 goes for debt service (Marina, Beach, Spader Bay interfund loan). The remaining \$150-200k includes \$80k annual going to the Parks Operating fund (\$20k for restrooms maintenance, and \$60k for Golf M&O)

Table 6-25 Lodging Tax Usage of Funds (103)

	2019		2020		2021		2022		2023	
Ch. of Commerce	\$567,630	56%	\$456,795	58%	\$722,484	68%	\$662,979	65%	\$699,829	44%
Parks	\$419,066	41%	\$320,766	41%	\$319,619	30%	\$359,017	35%	\$821,417	52%
Inc debt repayment ⁽¹⁾	\$138,066	14%	\$190,766	24%	\$189,619	18%	\$189,017	18%	\$188,417	12%
Inc Spend – Capital (310)	\$201,000	20%	\$50,000	6%	\$50,000	5%	\$90,000	9%	\$553,000	35%
Inc. Spend – Ops (110)	\$80,000	8%	\$80,000	10%	\$80,000	8%	\$80,000	8%	\$80,000	5%
Wayfinding signs	\$35,816	4%	\$6,671	1%	\$22,747	2%	\$0	0%	\$53,133	3%
other	-	-	\$6,203	1%	-	-	-	-	\$1,816	0%
Total	\$1,022,512	100%	\$790,435	100%	\$1,064,850	100%	\$1,021,996	100%	\$1,576,195	100%

(1) to 201 for 502 interfund loan repayment

Sources of fund – Loans

The latest debt obligation contracted for the Parks Department was in 2022 for \$2.5m to fund the construction of the new maintenance building and whose debt is serviced from the City's capital projects fund for \$228k. The City's capital project fund is also servicing a Park Capital loan for \$41k annually. The other Parks loans are funded by the lodging tax: an interfund loan for ~\$50k annual for the Spader Bay acquisition, \$40k annual for Shoreline and \$97k annual for the Marina.

Table 6-26 2023 City of Chelan Debt Services

		Parks					General	PW		
		Spader Bay	Marina	Shoreline	Park Cap	Maint Bldg	Library	Street	Sewer	Water
Out of 103		\$50,675								
Out of 201	from 103		\$97,393	\$40,349						
	from 301				\$41,890	\$228,534	\$28,714	\$98,070		
Out of 402	from 406 (water)								\$517,359	
	from 407 (sewer)									\$223,439

Sources of fund – City's general funds, capital (301) and expenses (001)

Table 6-27 Transfers to Parks from City's current expense and capital projects fund

	2019	2020	2021	2022	2023
from general fund (001)	\$150,000	\$610,000	\$0	\$950,000	\$609,557
% of 001 transfers out	20%	84%	0%	86%	22%
from capital projects fund (301)	\$42,146	\$205,116	\$200,140	\$255,527	\$371,099
% of 301 transfers out	25%	62%	61%	14%	75%
debt portion (201)	\$42,146	\$42,146	\$41,890	\$41,890	\$270,424
debt portion (502 - interfund loan)	\$0	\$50,000	\$50,000	\$50,000	\$50,000
from equip fund loan (502)	\$400,000				
Total	\$592,146	\$815,116	\$200,140	\$1,205,527	\$980,656

The city's general funds, whether from Current Expenses (001) or from Capital Projects (301) together have mobilized ~\$1m when Parks invests in larger projects. Beyond that order of magnitude, Parks investments tend to resort to loans. The City's capital projects fund (301) ends up funding largely debt service for Parks (i.e. past projects payments), whereas liquidities for current investment projects come in majority from the City's current expense fund (001), representing a large proportion of the transfers out of the Current Expense fund (80%+ in 2020 and 2022)

Sources of “funds” – Concessionaire Remodeling Investment

Showing up on the list of City Assets but not necessarily in the financials is the \$300K+ of improvement to the Golf Club House completed by the Golf Concessionaire in fulfilling their concession contractual agreements. No major improvements to the Golf Club House had been made in the decades before this lease.

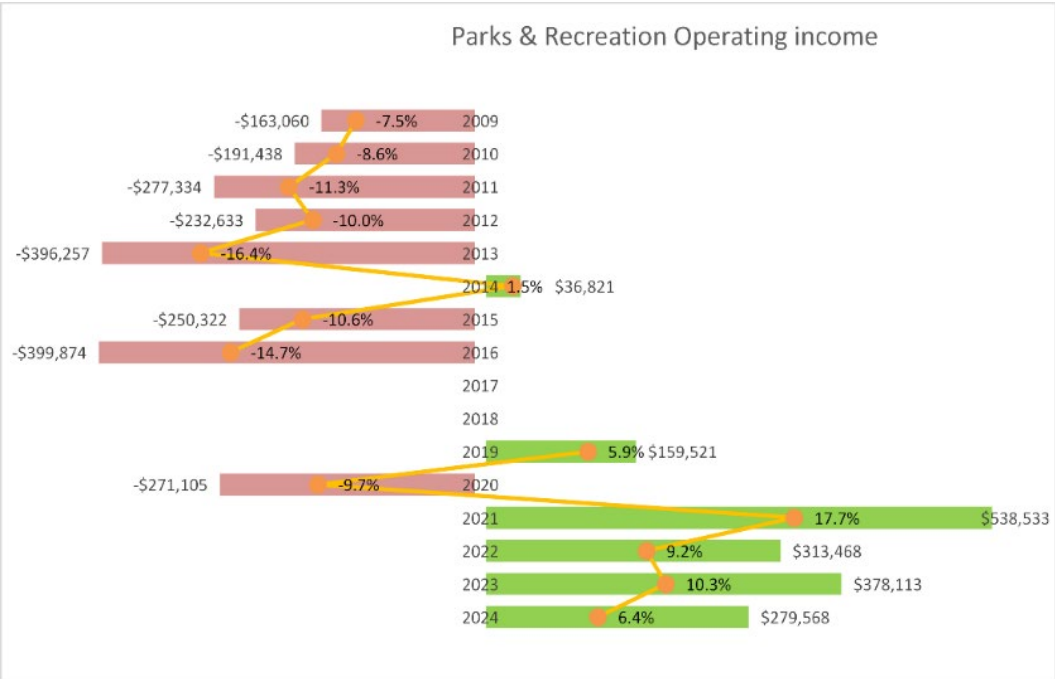
Figure 6-28 Remodeled Club House



6.3.3. Parks and Recreation Financials Conclusions

Operations

Figure 6-29 Parks and Recreation 15-year Operating Income



From consistently negative to consistently positive, except for COVID year. Recovery rate averaging 105-110%. A feat for any park system, however, nowhere close to being able to fund Capital Improvements (not even deferred Maintenance)

See Table 6-19 for the detail by revenue stream.

Capital Improvements

Table 6-28 Parks Sustainable Capital Funding

\$M, <u>order of magnitude</u>		Min	Max	Assumption
Lodging (103)	Debt	0.19	0.19	table 6-23, row 3
	Upkeep	0.05	0.1	table 6-23, row 4 low years
	New	0.1	0.5	table 6-23, row 4 high years
	Subtotal	0.34	0.79	
Gen Funds (001,301)	Debt	0.33	0.33	table 6-24, col 1-4-5
	Upkeep	0.05	0.1	table 6-25, row 1-3 low years
	New	0.12	0.57	table 6-25, row 1-3 high years
	Subtotal	0.5	1	
Parks Ops (110)	Debt	0	0	
	Upkeep	0.1	0.4	table 6-22, col 2, low/high years
	New	0	0	
	Subtotal	0.1	0.4	
Sustainable sources	Debt svcs	0.52	0.52	\$0.5M going to Parks debt, high seniority
	Funding Capacity	0.42	1.67	Sum of upkeep + new below
	Upkeep	0.2	0.6	low years City would afford \$0.2M for upkeep, high years., \$0.6M
	New	0.22	1.07	low years City would afford \$0.2M for new projects, high years., \$1M
Total		0.94	2.19	

At face value, it appears that between lodging tax and City General Funds, Parks Capital Improvements are well supported with infusions of \$1-2M per year. However, one has to account that \$0.5M now goes to debt service, and a portion, at the lowest, \$0.2M, at best ~0.5M goes to sheer upkeep. Net net, on a sustainable basis, meaning guaranteed recurring sources, that leaves \$0.3-1M of sustainable funding sources for larger projects whether they are maintenance upgrade/replace, or whether they are new developments.

Beyond that \$0.3-1M sustainable funding, to date, any larger capital improvement (>\$0.5M) requires to be funded from either grants, or loans. Grants are competitive and uncertain, even though, with less common assets like the Marina, Chelan has access to specific grants, which are less coveted. Loans are borrowing from the future, and further limiting future Capital funding capacity. In 2023, the City of Chelan contracted for the Parks Department and the new Maintenance Building a \$2.5M debt, lowering the debt appetite for some time.